

CITY OF TORONTO

2007 Budget Summary



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The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Toronto, Ontario for the Annual Budget beginning January 01, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A MESSAGE FROM TORONTO MAYOR DAVID MILLER



We are at an exciting time as we finally lay the foundation for Toronto's success in the 21st Century. Not just for Torontonians, but for Ontario and indeed all of Canada because Canada and Ontario will only succeed when Toronto succeeds. This budget is a plan that's part of this foundation, (as it summarizes Toronto's Capital and Operating Budget.)

The City of Toronto government today is like no other in Canada. We accommodate more people in our public housing than live in the province of Prince Edward Island. We carry more passengers on the Toronto transit system each day than live in any other Canadian city except Montreal. It is also Canada's sixth largest government with responsibilities that are not unlike those of a provincial legislature. Social services, child care, housing, recreation, public health, transit, policing and public safety are just a few of the obligations the City has a duty to fulfill for the benefit of its citizens.

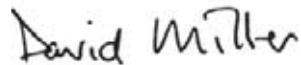
To their credit, Premier McGuinty and the government of Ontario realized this and on January 1, 2007 a new City of Toronto Act was proclaimed and placed Toronto in a position to realize its tremendous potential as a world city. This legislation will provide the government of Toronto with the legal ability and enhanced powers to respond to the expectations of its residents in creative and effective ways.

However, despite having a new Act that supports stronger inter-governmental relations and broader powers for Toronto it does not address the City's long-term fiscal imbalance. Toronto residents and businesses continue to cover the costs of provincially required programs putting a strain of approximately \$728 million on the City's 2007 Operating Budget. While the province has partnered with the City in providing funding for TTC's Capital program and has recently made a commitment to taking back the costs of some social programs over the next four years, the City continues to need a longer-term commitment in other areas like transit operations and court security. It's time for the Province to pay these bills in full since – Ontario is the ONLY province in Canada that forces municipalities to pay for social programs. We can do our part through new taxes available under the Act, but the province must do its part as well.

As a result, in 2007 the budget committee began the reviews with pressures that could have forced service cuts, fee increases and an overwhelming tax burden. In the end, the City used significant reserve fund draws – a practice that is no longer available given the depletion of discretionary reserve funds.

In 2005 the Conference Board of Canada estimated that the annual funding shortfall to pay for Toronto's responsibilities is \$1.1 billion. The City will only succeed with five pillars for action – finally, create new revenue tools and taxation that will allow us to build the necessary infrastructure, for Toronto to succeed. The first pillar is for the provincial government to upload the cost of programs that they mandate. The second pillar is the re-establishment of 50% provincial funding of transit operations to ensure a long-term financial commitment to transit to meet environmental objectives and stop the annual ad hoc funding nature of transit operations, and the third and fourth pillars are part of a joint strategy with mayors from across Canada: to create a National Transit Strategy to support transit in Canada as it is supported in Europe and even the United States; and to campaign for one cent of the GST to leave some of the billions of tax revenue that is generated in Canadian cities in those cities to allow the kind of investments needed.

Everyone agrees that action is needed in order for Toronto to remain the economic engine of the Province of Ontario and Canada – and be a place that provides prosperity, liveability and opportunity for all.



David Miller, Mayor
City of Toronto

A MESSAGE FROM THE CITY MANAGER



I am pleased to present the City of Toronto's 2007 Budget Summary Book – a document that shows where money comes from and where money goes to provide the quality of life for Toronto's 2.5 million residents.

On March 7, 2007 City Council approved its first five-year capital plan of \$6.7 billion that includes projects to invest in the Mayor's priorities of making Toronto a safer, cleaner, greener and beautiful city. Some of these projects include new light rail vehicles and buses, energy-use reduction projects for City buildings, and investing in trails and parkland. While the 2007 Capital Budget's major focus is on infrastructure maintenance, there continues to be limited investment in fulfilling the service demands of a growing Toronto. This is because the City continues to grapple between the cost of maintaining city assets like roads, community centres and facilities, and managing debt at an affordable level without new sources of sustained funding.

On the operating side, City Council approved a \$7.8 billion Operating Budget that protects City services and operations as the City continues to grow. Modest improvements were available in specific areas to support key city-building initiatives that are aligned with the Mayor's mandate and Council's policy agenda. Other modest improvements were also made to support the growth in transit ridership, the three emergency services, and areas such as solid waste collection and recycling as well as parks, forestry and recreation.

Without the provincial upload of social service costs in 2007, however, the Operating Budget was balanced with property tax increases of 3.8 per cent for residential and 1.267 per cent for non-residential properties, and, the use of \$278 million from its reserve funds as a one-time solution. For 2007, a 3.8% residential municipal tax rate increase results in an impact of \$81.19 on the average household assessed at \$369,300 bringing the average Toronto residential tax bill to \$2,174.60.

It is regrettable that, Toronto taxpayers continue to cover the costs of provincially required social programs putting a strain of more than \$700 million on the City's 2007 Operating Budget each year. This fundamental structural financial problem of the City and indeed all Ontario municipalities has been recognized by the Board of Trade, Conference Board of Canada and TD Bank as the key to beginning a long-term fiscal plan for the City of Toronto.

During our budget process, the Mayor asked the public to support a number of short-term and long-term plans that address the City's next steps for fiscal sustainability. For the 2008 budget and future

years, the plans call for continuous City service improvements, the uploading of social service costs to the Province, new revenues that grow with economic activity, creation of the national transit strategy and new taxation tools granted by the new City of Toronto Act.

I'm pleased to advise that despite our fiscal challenges the City continues to maintain favourable service performance. The 2007 Operating Budget required a 1.8 per cent increase over the 2006 budget, demonstrating the City's efforts to control expenditures while maintaining quality services. Recent results from the Ontario Municipal CAOs Benchmarking Initiative (OMBI) and the City's Performance Measurement and Benchmarking Report also confirms Toronto's stable performance levels as compared to other Ontario municipalities in terms of service level, efficiency, customer service and community impact performance indicators. As well as external comparisons, the City has initiated regular reviews of its own major programs under a formal Program Review Framework to ensure that Toronto services continue to be relevant and are delivered effectively and efficiently.

I'd like to extend my sincere thanks to City staff who continue to provide exemplary service for the people of Toronto. Through your ongoing commitment I know that we will succeed in facing the future challenges.



Shirley Hoy
City Manager

EXECUTIVE SUMMARY

TORONTO'S 2007 CAPITAL BUDGET AND 2008-2011 CAPITAL PLAN

The 2007 Capital Budget and 2008 – 2011 Capital Plan sets the foundation to realize the Mayor's vision and mandate, and Toronto Council's policy agenda. Of the 2007 \$1.432 billion Tax Supported Capital Budget, 75% or \$1.075 billion is targeted to the City's spending needs for health and safety, legislated spending and state of good repair. Of the total Five-Year Capital Plan of \$6.704 billion, the amount dedicated to these project categories was \$5.344 billion or 80%.

While priority has been placed on maintaining the City's infrastructure, the capital plan also provides for growth in strategic areas and for service expansion in key program areas to accommodate service demands and expectations of the Toronto public. Included in the Five-Year Capital Plan are investments in projects that contribute to the Mayor's priorities of making Toronto safer, a clean, green and beautiful city, and transit strategic directions in accordance with Council's Official Plan.

Financing the City's capital budget and plan, however, continues to be a major challenge, particularly because of diminished capital reserves and reduced non-debt funding sources. As a result, a major influencing factor in developing the 2007 Capital Budget and 2008 – 2011 Capital Plan is the need to manage the City's debt burden without compromising the state of good repair of existing assets or the health and safety of its citizens. Debt financing totals \$2.630 billion or 39% of the total funding requirement proposed in the Five-Year Capital Plan. However, when the projected debt retirement of \$1.0 billion (or \$200 million per year) is taken into account, new debt is approximately \$1.60 billion.

Even with this significant investment, there continues to be a gap between capital spending needs and affordable funding estimates. This funding gap has resulted in a growing backlog that is estimated at \$1.392 billion at the end of 2011, despite increased spending on infrastructure maintenance. Notwithstanding this gap, the City has made significant strides in limiting the backlog to about 5% of the total estimated asset value of about \$30.0 billion (excluding Toronto Water assets).

Key Themes for infrastructure projects in the 2007 Capital Budget

The following key themes guided the approval of projects in the 2007 Capital Budget:

Public Spaces

- *Investment in public spaces is crucial to ensuring that parks, streets, squares and other shared common spaces are well designed, developed and maintained and clean and beautiful for the general betterment and wellness of the community.*

Environment

- *City Council has recognized the need to spend on projects that would set the stage for environmental improvement, while achieving the City's infrastructure maintenance and development objectives.*

Improved Public Service

- *One of the Mayor's visions is to work with people – to get results for people.*

Community and Recreation Services

- *The City offers programs and services that improve the quality of life of all its citizens, and ensures opportunity for all.*

Public Works & Infrastructure

- *The City has a massive and aging infrastructure which has to be managed effectively to ensure that the services required by its citizens continue to be provided. The 2007 Capital Budget contributes to an effective road network to support delivery of an expansive transportation program, the management of solid waste in an environmentally friendly manner and the general provision of core municipal services.*

Public Safety and Emergency Services

- *Quality and effective emergency services and public safety is a major demand of the citizens of Toronto.*

Transit

- *A major priority of the Mayor is to make Toronto a city that moves people by transit. The goal is to have a comprehensive network of dedicated transit routes that move people quickly, efficiently and affordably through all parts of the city.*

Toronto's 2007 Operating Budget

The 2007 Operating Gross Budget is \$7.797 billion, which represents a \$190.611 million or 2.5% increase over 2006 in gross expenditures. The 2007 Operating Budget was funded primarily by user fees and charges of \$1.205 billion, Provincial and Federal Grants and Subsidies of \$1.944 billion and Property Taxes of \$3.221 billion with the latter representing 41% of total revenues.

After applying non-tax revenues including provincial and federal subsidies, user fees and reserve draws, the remaining gross operating budget is funded by property taxes (referred to as the net budget). The 2007 Net Operating Budget of \$3.221 billion includes an increase of \$89 million or 2.8% over the 2006 property tax base.

The 2007 Operating Budget also includes an assessment growth of \$16.214 million, and property tax increases of \$72.618 million generated from a 3.8% or \$49.114 million increase on residential properties and a 1.267% or \$23.504 million increase on commercial, industrial and multi-residential properties.

To deliver services approved by City Council in 2006, the total 2007 budget includes a base budget of \$7.746 billion that reflects a gross expenditure increase of \$139.343 million or 1.8%, compared to 2006. This confirms that City spending has been contained through continuous improvement and efficiency initiatives.

Balancing the 2007 Operating Budget

The 2007 Operating Base Budget starting pressure was \$548 million. The Budget Committee recommended moderate investment in new and enhanced City building initiatives that fulfill Council and the Mayor's

priorities totalling \$51.183 million gross expenditures and \$14.363 million net. As a result, the budget pressure was increased to \$562 million.

Reducing the budget pressure began with using savings resulting from efficiency reviews, service and service level adjustments, and other cost control initiatives totalling \$85 million. The Executive Committee directed that Hydro Revenues of \$106 million, which in accordance with Council approved policy had been earmarked for funding capital expenditures, be utilized once again in the operating budget. Also, \$80 million of social services reserve funds were utilized for a total of \$271 million of reserve adjustments and savings. Finally, the only remaining reduction strategy includes further use of reserve funds of \$172 million and the Move Ontario Trust of \$30 million.

Where the 2007 Gross Expenditures are Spent

- Only 18% of the 2007 Operating Budget is allocated to municipal services.
- Provincially Mandated Programs represent approximately one-third of the budget which confirms that much of the City's resources is diverted from core municipal services.
- Together, Transit and Emergency Services account for another 32% of the City's total expenditure budget.

The above pattern is consistent with prior years. Going back to 1998, Transit, Emergency Services, and Provincially Mandated Programs account for approximated 70% of the City's expenditures.

Where the money comes from

- User Fees make up \$1.2 billion or 15% of total revenues.
- Reserves and Reserve Funds make up \$0.5 billion or 6%.
- Grants and Subsidies from other orders of government account for \$1.9 billion or 25%.
- Other Revenues total \$1.0 billion or 13% of total revenues.
- The largest revenue source is municipal taxes which amount to \$3.2 billion or 42% of total revenues.

Impacts to the average Toronto household

For 2007, a 3.8% residential municipal tax rate increase results in an impact of \$81.19 on the average household assessed at \$369,300 (all residential types including condominiums and detached homes) resulting in an average residential tax bill of \$2,174.60.

Fiscal Challenges

As a result of ongoing fiscal challenges, the City has been relying on one-time revenue sources to balance its annual budget. This practice has resulted in a significant \$273 million revenue shortfall for 2007.

On the expenditure side, uncontrollable costs such as inflation, debt service charges and other expenditures to maintain services approved in 2006 amounted to \$275 million. Together, the impact of one-time revenues, the cost of maintaining the existing services and service levels, along with moderate investments in new and enhanced services resulted in a budget pressure of \$562 million for 2007.

A major contributor to the City's fiscal challenges is the imbalance between the cost of downloaded provincially mandated programs and provincial funding. As a result, the City continues to redirect property tax revenue to fund provincially mandated services. In 2007 alone, the City will divert \$175 million from scarce property tax revenues to pay for the provincial costs for the Ontario Disability Support Program (ODSP) and the Ontario Disability Benefits (ODB) program.

Under-funded provincially mandated services that are funded by property tax revenues total \$127 million, due to the Province unilaterally capping its share of social services costs. The cost of social housing is an additional \$329 million for City taxpayers. The Province has thus transferred a burden (exclusive of GTA pooling) of well over \$500 million onto the City's property tax revenue base. This practice of re-directing property tax revenues to fund provincially mandated, income redistribution programs has depleted the scarce recurring resources available to deliver core municipal services, putting the City of Toronto into a structural deficit position.

Independent studies by the Conference Board of Canada and the Toronto Board of Trade separately confirmed that the City has a structural deficit problem of approximately \$1.1 billion per annum.

What's in the 2007 Operating Budget

The 2007 Operating Budget is a viable and prudent budget that maintains core services, and demonstrates the City's commitment to addressing residents' needs in a cost-effective manner.

Though limited, the 2007 Operating Budget contains investments in key city-building initiatives that are aligned with the Mayor's mandate and Council's policy agenda. Investments in new and enhanced services that are aligned to Council priorities and the Mayor's mandate total \$51.183 million gross and \$14.363 million net.

The 2007 Operating Budget contains key city-building initiatives in the following areas:

Public Safety	Transit and Transportation
Environment	Public Space Improvements
Public Service Improvements	Community and Neighbourhood Leisure and Wellness

2008 Outlook

For 2008 the starting (known) budget pressure is \$681.7 million. This is due to factors such as the annualized cost of base budget changes and the in-year implementation of new and enhanced services.

Council has directed that the 2008 Operating Budget be held at a zero increase over 2007. Given a starting budget pressure of \$681.7 million, the City will continue to face a major challenge in balancing the 2008 budget. To complement the cost controls, service and program reviews, and continuous improvement initiatives in place, it is urgent that the City finds sustainable revenue solutions. As discussed above, to fix the structural deficit, which results in significant budget pressures year after year, will require revenues that grow with the economy, upload of provincially mandated social service costs, creation of a National Transit Strategy and new taxation measures under the City of Toronto Act.

Performance Measurement: How Toronto Performs

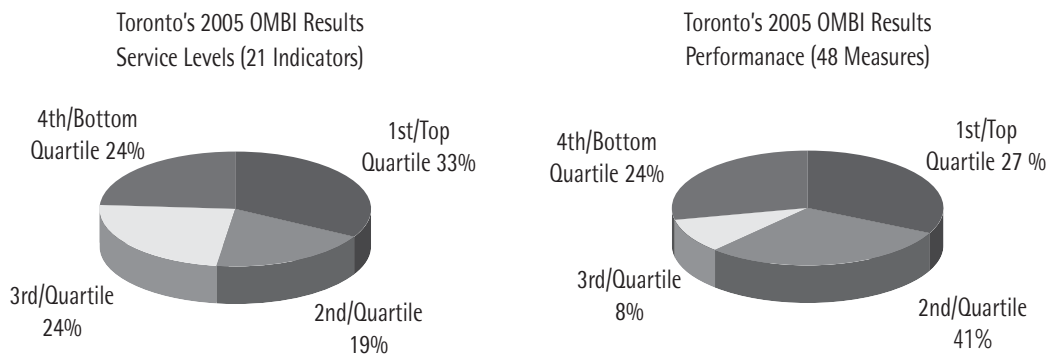
The City of Toronto continues to promote a continuous improvement culture in order to provide the best value in service with municipal tax dollars.

The 2005 Performance Measurement and Benchmarking Report provides service level and performance measurement results in seventeen service areas to examine internal trends, and compare results externally to fourteen other municipalities using the Ontario Municipal CAOs Benchmarking Initiative (OMBI) data. This information is then used to improve transparency in the way Toronto's performance measures are reported, and provides context when developing the City's capital and operating budgets.

Results show that for 91% of the service level indicators, Toronto's service levels have been maintained (stable) or have increased in recent years. In comparison to other municipalities, Toronto is higher than the OMBI median for 58% of the service level indicators.

Toronto's internal trends in performance measurement results (efficiency, customer service and community impact) indicate that 67% of the measures had results that were either improved or stable in recent years. In relation to other municipalities Toronto is better than the OMBI median for 51% of these performance measures, which is comparable to the other large single-tier municipalities in OMBI who also have responsibility for a full range of services.

Toronto's 2005 OMBI Results



- For service levels, results have been sorted highest service levels being the desired goal
- Higher than median in 52% of service level indicators.
- Better than median in 52% of efficiency, customer service and community impact measures

All program areas continue to examine operations for ways to improve the efficiency and effectiveness of operations in order to become more efficient in all programs. Examples of initiatives that have improved the efficiency of operations include:

- **Road maintenance** – new street sweeping equipment, technology and routing expected to reduce costs and also examining alternatives for diversion of residual material.

- **Winter maintenance of roads** – salt management initiatives to optimize salt usage through the use of technology on vehicles, and pre-wetting of salt to make it more effective.
- **Solid Waste Diversion** – implement efficiencies at Organics Processing Facility to increase the processing capacity of source separated organics. Examining optical sorting technology to improve mechanical sorting of single stream materials.
- **Solid Waste Disposal** – compress hours of operation at transfer stations to eliminate need for night shift.
- **Wastewater Treatment** – have implemented energy efficiency measures and are continuing to do so where possible.

The City will continue to refine its performance measures with a focus on ensuring that it delivers services effectively.

Financial Condition

The City's efforts in expenditure restraint and long-term financial planning have been positively received by the City's independent rating agencies. Strong stable credit ratings of AA and AA+ reflect the City's financial endurance and optimistic outlook for working with other orders of government. Some of this work includes the use of the City's Long-Term Fiscal Plan as a guide in implementing tax policies that enhance economic competitiveness, user rate adjustments for environment and cost control purposes, and efforts with the Province to upload the cost of social service programs in 2008 and beyond. High credit ratings and relatively low debt levels highlighted by independent credit rating agencies reflect the City's prudent financial management that continues to yield positive results for city building.

The potential for a greater Toronto that provides prosperity, opportunity and liveability for all became more attainable when the newly elected Toronto City Council inherited broader powers, through the Province's new City of Toronto Act on January 1, 2007.

The City of Toronto now has the financial flexibility to establish new revenue tools to support its priorities and goals such as improving the environment. Although the new City of Toronto Act provides broader powers for the future it does not address the current fiscal imbalance that continues to affect the way the City is able to fund its municipal services. It is with regret that Toronto taxpayers continue to cover the costs of provincially required social programs putting a strain of approximately \$600 million on the City's finances each year. This fundamental structural financial problem of the City has been recognized by the Board of Trade, Conference Board of Canada and TD Bank.

In preparation for the new powers, the Toronto government established a new governance structure and is now in the process of creating new accountability measures and council procedures. Toronto is now the first city in Canada to appoint an integrity commissioner and to establish a municipal lobbyist registry. The auditor general, the ombudsman and the City's code of conduct are also key elements in the City's plan to implement one of the strictest sets of accountability measures in Canadian municipal government to ensure accountability to the people of Toronto.

CITY OF TORONTO

2007

Budget Summary

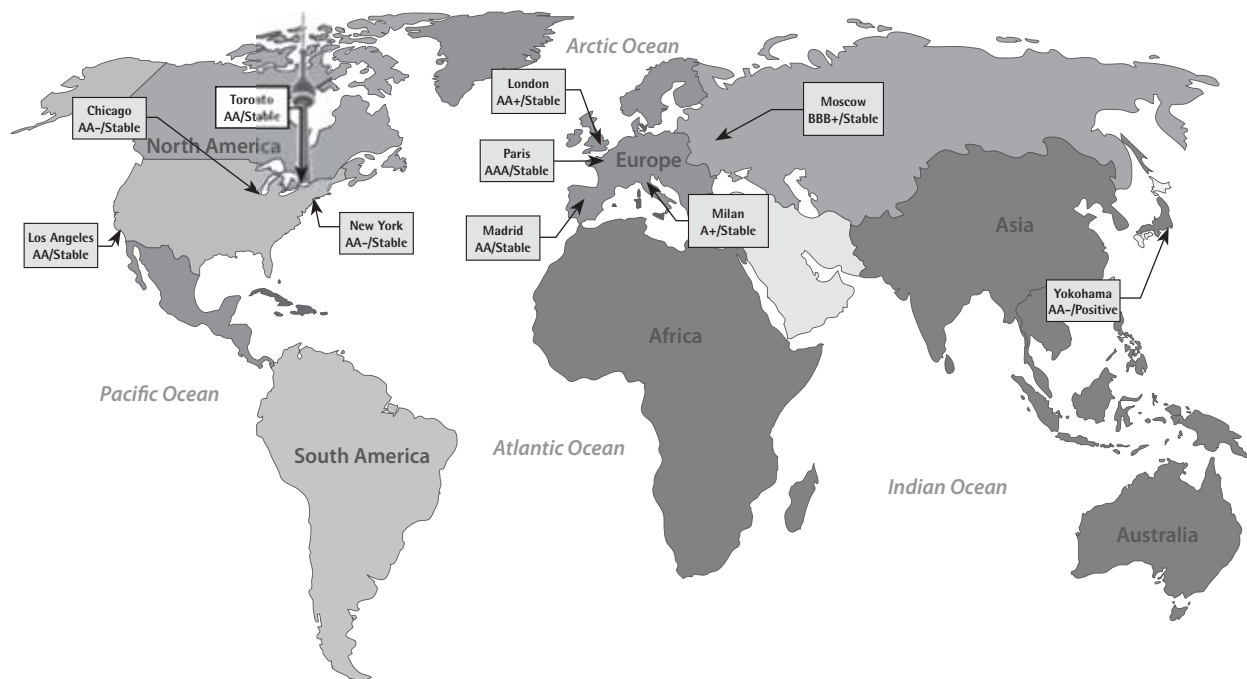
Introduction



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A PROFILE OF TORONTO

- Toronto is one of the world's top ten economic centres as rated by Standard and Poor's (S&P's). In a report released November 2006, S&P's rated Toronto as one of the World's Top 10 Economic Centers amongst over 15,000 local, state, and regional governments in the U.S. and more than 340 in 27 different countries in the world, including cities such as Paris, London, Madrid, Los Angeles, New York, Chicago, Yokohama, Milan and Moscow. The criteria for selection were:
 - > the economic importance of the countries in which they are located (all of which are G8 members);
 - > their role as the major economic centre(s) in their respective country. This sometimes coincides with being the capital city (Paris, Madrid, London, Moscow), but not always. The U.S. cities represent the three most-populous in the U.S.
 - > the depth of the services that each city provides economically to its respective service area and to the country as a whole; and
 - > their size – all selected cities have more than one million inhabitants.



- Toronto ranks second in the London Financial Times' North American Cities of the Future 2007/2008, behind Chicago. London Financial Times' Foreign Direct Investment (fDi) cites Toronto's good affordable housing, low crime rates, strong health and education sectors, and falling unemployment rates. Toronto has a strong and innovative environmental program and it topped fDi's shortlist with the best quality of life of any major city.
- Toronto ranks fifteenth in a global Mercer Human Resources Consulting city survey in overall quality of life, second in Canada behind Vancouver. The survey rated 215 cities based on 39 quality-of-life determinants including social, economic, environmental and safety factors.

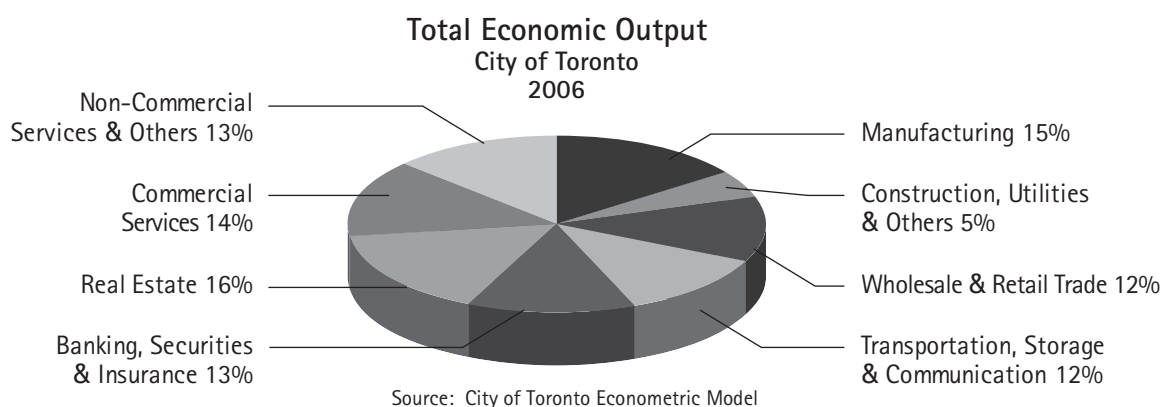
- Toronto ranks second overall in ease of doing business in a Price Waterhouse Coopers study comparing 11 global cities to see which is business-ready for the next 100 years. The study "Cities of Opportunity: Business-readiness indicators for the 21st Century" rated indicators such as corporate tax rates, ease of hiring, work/life benefits and separation requirements.

The City of Toronto is Canada's largest city with a population of 2.6 million residents. It is the heart of a large urban agglomeration of 5.7 million called the Greater Toronto Area (GTA)¹. The GTA is located on the north western shore of Lake Ontario and is part of an even larger urban complex stretching from the western end of the Lake through Southern Ontario to the Michigan border.

Toronto, with 76,000 businesses, is the major economic engine of Canada. The City is both the political capital of the Province of Ontario and the corporate capital of the country as well as the major centre for culture, entertainment and finance in the country. The City is the home to more national and internationally ranked companies than any other city in Canada.

The GTA is one of the most diverse economies in North America, characterized by highly specialized knowledge-based jobs. An estimated \$263 billion of goods and services (GDP 2006) are produced in the Toronto Census Metropolitan Area (CMA²). The City of Toronto accounts for slightly less than half of this total (2006: \$130 billion).

Key industry clusters in the region comprise business and financial services, information and communication technology, biomedical and biotechnology, and film and television, to name a few. Within the City, the main drivers in Toronto's economy are manufacturing and financial business services. Manufacturing (including the head offices of manufacturing firms) generates \$20 billion of annual output, an amount that is about the same as financial services (banking, securities and insurance).



1 Greater Toronto Area (GTA) refers to the City of Toronto plus the surrounding regions of Durham, York, Peel and Halton which include four upper tier and 24 lower tier municipalities.

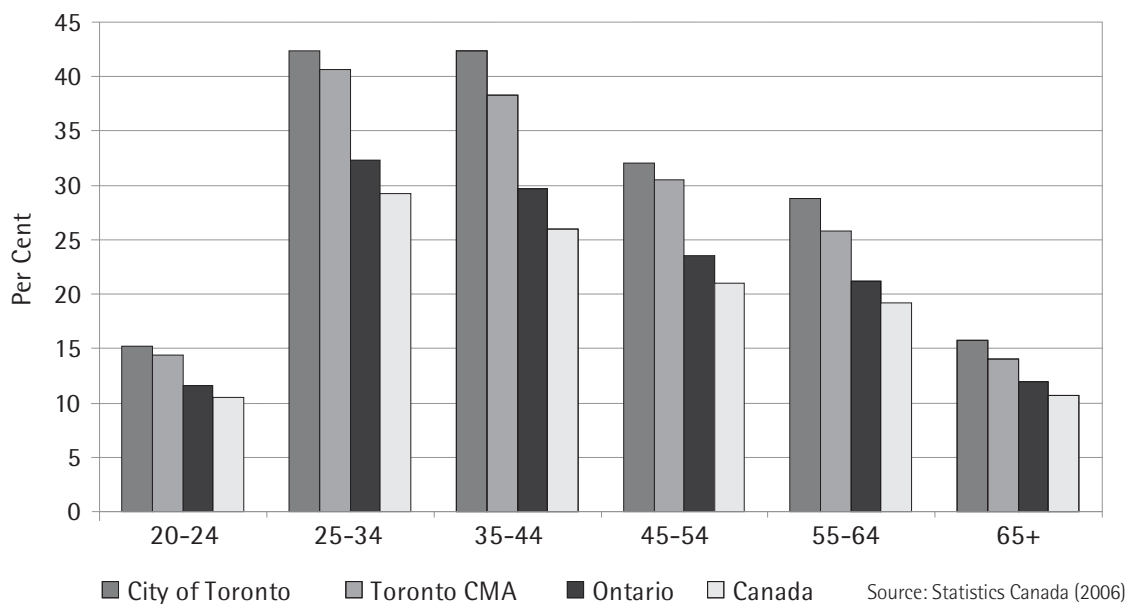
2 Toronto CMA (Census Metropolitan Area) refers to the municipalities assigned by Statistics Canada on the basis of labour market and commuting criteria. It comprises of the City of Toronto and 23 other municipalities.

Manufacturing is somewhat more concentrated in the rest of the GTA, while financial and business services are predominately clustered in the City itself. The City also contains a concentration of health and education jobs. Manufacturing in the GTA is dominated by the auto sector and also contains a disproportionate share of related jobs in machinery and equipment, as well as primary and fabricated metals.

The medical community in Toronto is the fourth largest in North America. The Discovery District is a downtown research park with seven million square feet of facilities – Canada’s largest concentration of research institutes, business incubators and business support services. The Medical and Related Sciences (MaRS) project, a new Faculty of Pharmacy at the University of Toronto, and the Centre for Cellular and Biomolecular Research (CCBR) help give the Discovery District its name. In addition, Toronto is undergoing a cultural renaissance with the unprecedented building and architectural transformation of close to a dozen major arts and cultural institutions, including the Michael Lee-Chin Crystal (expansions to the Royal Ontario Museum), the Art Gallery of Ontario, and the Four Seasons Centre for the Performing Arts which is also the new home of the National Ballet of Canada, as well as the Canadian Opera Company (COC).

Toronto has a large educated, skilled and multilingual workforce. Toronto is the home to four universities (OCAD, Ryerson, U of T and York), four community colleges (Centennial, George Brown, Humber and Seneca) and one arts college. In fact, it has the most educated workforce in North America. Close to 63% of the City’s labour force has completed a post-secondary degree, diploma or certificate.

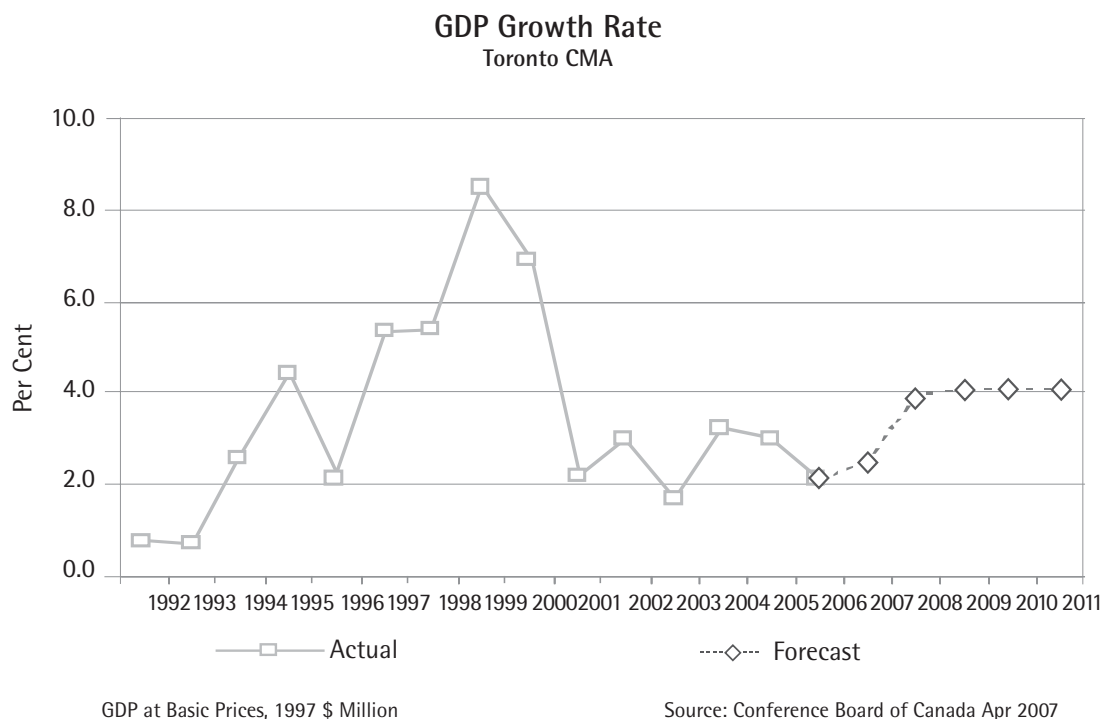
University Graduates by Age



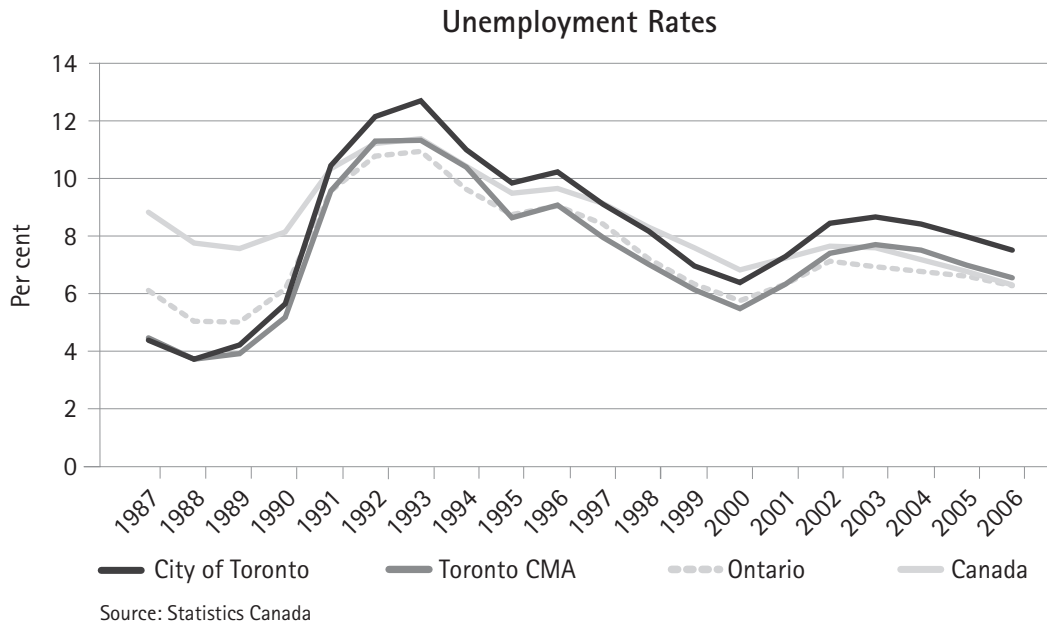
With an estimated 1.4 million people working in the City of Toronto, it continues to be a net importer of labour from the surrounding regions. The regions outside of the city are changing rapidly in that they are experiencing growth in manufacturing and other types of employment and thus transforming

themselves from residential suburbs to employment destinations. The rest of the GTA has now also become a net importer of labour both from the city and surrounding regions outside of the GTA.

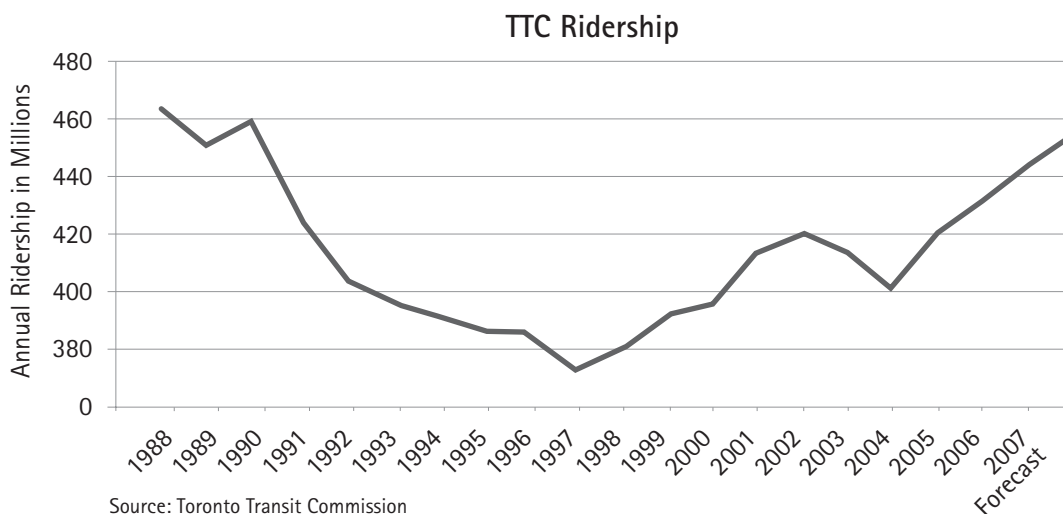
The Toronto region enjoyed a remarkable economic growth from the mid 1990s to 2000. However, the impact of the strong Canadian dollar on industries sensitive to foreign trade, especially manufacturing and tourism, has dampened overall economic growth in the Toronto region since 2001. The manufacturing sector has struggled with plant closings and job cuts. Output in the transportation, storage and communications sector and the commercial services sector were modest as compared with the vigorous growth in the wholesale and retail trade sector. In the construction sector, housing starts have slowed, while non-residential investment activity is expected to stay healthy. The economy expanded by a modest 2.1% in 2006, and is forecasted by the Conference Board of Canada to grow by 2.5% in 2007. But the economy is expected to get back on track in 2008, with an average growth rate of 4.0% annually through to 2011.



In Toronto, employment has continued to improve. After reaching a high of 9.3% in September 2003, the unemployment rate continued to come down to 7.5% in 2006, a level not seen in four years.



The active labour market has had a positive impact on City services such as transit ridership. In fact, TTC ridership is projected to return to a level not seen since 1991 when the last recession hit. Improved employment has also benefited downtown office vacancy rate which decreased to 5.6% in the first quarter of 2007 compared to 7.6% a year ago and 9.5% two years ago. Downtown non-residential construction, particularly the hotel and office sector, is expected to stay healthy in 2007 and 2008.

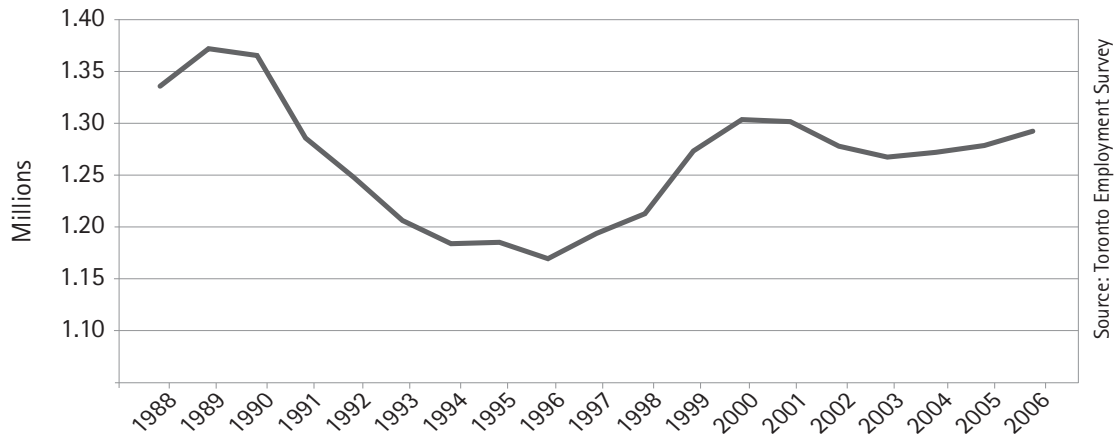


One of the key indicators of economic strength is employment. Total employment in the City peaked in 1989, but over the next seven years came down substantially. Most of the job losses were in goods production, but financial services and retail also experienced significant declines, which were attributed to the impact of economic restructuring associated with free trade and a cyclical recession. From 1996

to 2000, the City's economy staged a strong recovery. Total employment in manufacturing jobs expanded faster than all employment, as vacant industrial buildings in the City were quickly filled up. Within the Greater Toronto Area, the economic growth of the City has been lagging behind the rest of the region, particularly between 2000 and 2003 when employment in the City declined, with the majority of job losses in manufacturing, construction, transportation and warehousing as well as business services. Since 2003 the City's economy has bounced back with a services-based recovery. There have been noticeably steady gains in employment in the city. Together with the recent announcements of various investments in physical infrastructure by governments at all levels, the city's economy will grow at a healthy and sustainable pace.

Total Employment

All sectors - City of Toronto



FAST FACTS

On Toronto's Economy

- With 76,000 businesses, Toronto generates about 45 per cent of Ontario's Gross Domestic Product (GDP), making it the economic engine of both Ontario and Canada.
- The City of Toronto has been ranked as one of the World's Top 10 Economic Centres with a strong credit rating of AA (Standard & Poor's, 2006 – see page 46)
- Key industry clusters in the region are made up of business and financial services, information and communication technology, biomedical and biotechnology, and film and television, to name a few. Within the City, the main drivers in Toronto's economy are manufacturing and financial business services.
- Toronto is home to 50 per cent of the region's employment but occupies only 10 per cent of the land area (Toronto accounts for 630 sq. km; Peel, Halton, York and Durham account for nearly 6,500 sq km.)
- Approximately 19.7 million tourists visited Toronto in 2005 and there is an estimated daily influx of 356,000 non-resident vehicles entering the City from surrounding regions during the morning rush hours, in addition to non-residents entering the City through public transit.
- Toronto was ranked as the world's third most desirable destination for business travel according to The Economist Intelligence Unit's business trip index, 2006.

On City Government

- The City of Toronto ranks as the fifth largest municipality in North America (by governed population) after Mexico City, New York City, Los Angeles and Chicago.
- In Canada, only the federal government and the provinces of Ontario, Quebec, B.C. and Alberta govern more people than Toronto's city government.
- Toronto's funding responsibilities, at around eight billion dollars, are greater than the combined budgets of the cities of Vancouver, Calgary, Regina, Winnipeg, Halifax and Ottawa.
- The City owns a significant amount of physical assets, comprising roads, expressways, bridges, street lighting and traffic signal controls, water and wastewater treatment facilities, distribution and collection pipes, reservoirs, pumping stations, subways, streetcars, buses, civic centres, recreation facilities, public housing buildings, parkland and other lands. This infrastructure, excluding land, is currently estimated to be worth in excess of \$61 billion.
- As it stands now, 35 per cent of the City's Operating Budget is devoted to provincially-mandated programs, while another 24 per cent goes to the TTC and Toronto Police.
- It's estimated by the Toronto Board of Trade that there is a \$6.7 billion gap in what the City sends to the federal government alone in taxes versus what is reinvested in Toronto.

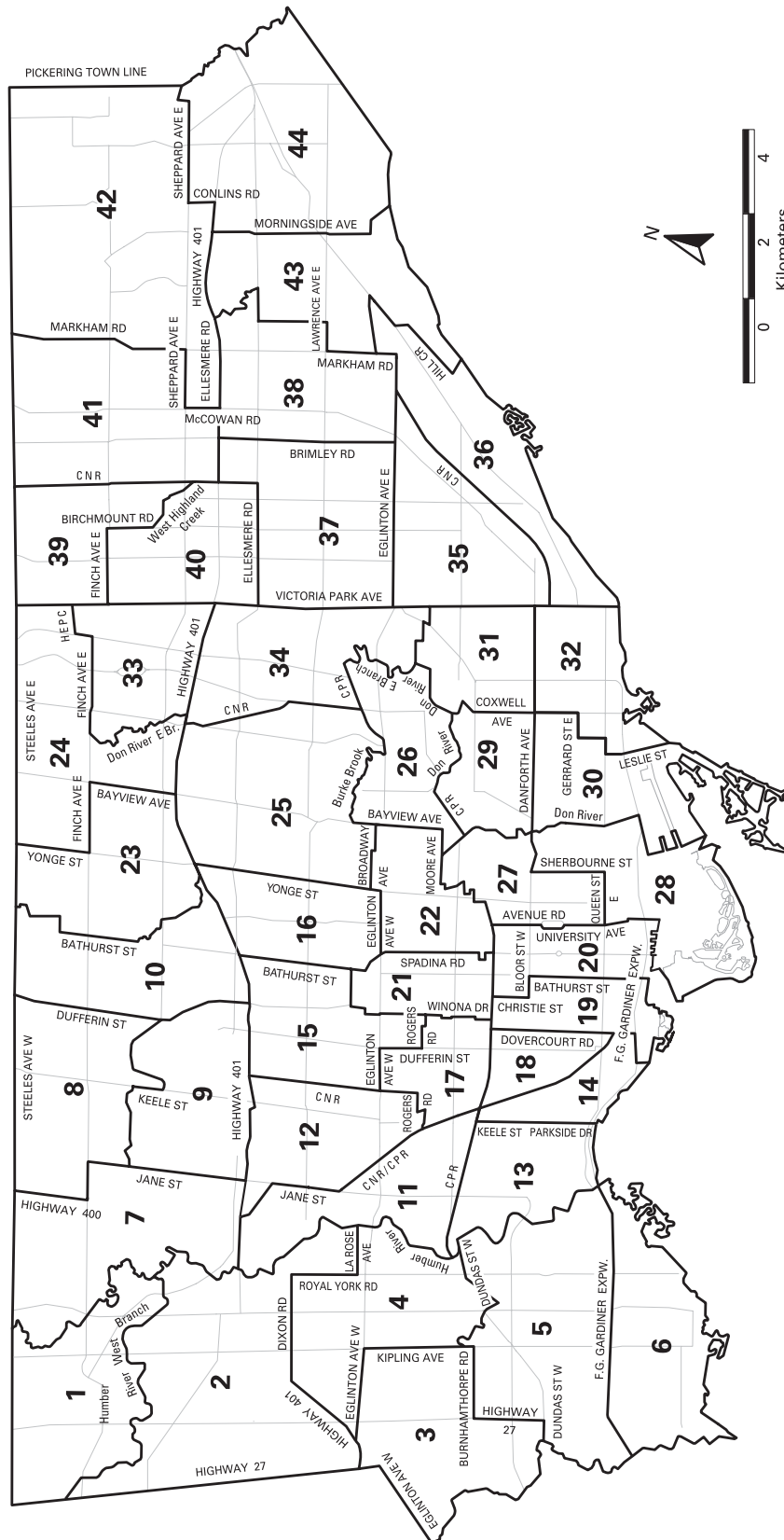
On Quality of Life

- Toronto ranked second in North America and placed 15th world-wide in the Mercer Human Resources Quality of Living Survey 2007.
- The City of Toronto delivers more than 40 critical front line services delivered by 48,500 full and part-time employees and its agencies – making it the largest employer in the City.
- Toronto is identified by The Carbon Group as one of the leading cities in the world in terms of reducing carbon emissions.

On City Services

- The City of Toronto's average monthly administration cost per case is \$206.95, which is 16.4% lower than the average of 13 other municipalities participating in the Ontario Municipal CAOs Benchmarking Initiative (OMBI) survey (page 9).
- Toronto's Emergency Medical Services (EMS) operates the largest paramedic training academy in Canada.
- The Toronto Public Library (TPL) manages over 30 million items, in-person visits, virtual visits and programs in circulation.
- Improvements in TPL public workstations were completed in 2006 and now provide increased multilingual capabilities (in 33 languages) and word processing in all 99 branches.
- TPL's 2007 Operating Budget provides 4.2 million computer sessions for the public.
- Toronto's FUN Unlimited is the largest registration tool for recreation programs in the world! Residents can browse, register and make payment for over 66,000 recreation programs a year.
- The City recently won 25 awards at the province-wide Public Sector Quality Fair which recognizes excellence in public service delivery. This incredible achievement is a major testimonial to the level of expertise and commitment demonstrated by our staff. It indicates that our employees have a great deal of enthusiasm and pride in the work they are doing and in serving this great City and its residents.

MAP OF ELECTORAL WARDS



Electoral Wards 2006 - 2010

Revised January 2007

TORONTO CITY COUNCIL



Mayor David Miller

For information on how to contact a member of Council, visit the City's website at www.toronto.ca



Ward 1
Suzan Hall



Ward 2
Rob Ford



Ward 3
Doug Holyday



Ward 4
Gloria Lindsay Luby



Ward 5
Peter Milczyn



Ward 6
Mark Grimes



Ward 7
Giorgio Mammoliti



Ward 8
Anthony Perruzza



Ward 9
Maria Augimeri



Ward 10
Michael Feldman



Ward 11
Frances Nunziata



Ward 12
Frank Di Giorgio



Ward 13
Bill Saunderson



Ward 14
Gord Perks



Ward 15
Howard Moscoe



Ward 16
Karen Stintz



Ward 17
Cesar Palacio



Ward 18
Adam Giambrone



Ward 19
Joe Pantalone



Ward 20
Adam Vaughan



Ward 21
Joe Mihevc



Ward 22
Michael Walker



Ward 23
John Fillion



Ward 24
David Shiner



Ward 25
Clifford Jenkins



Ward 26
John Parker



Ward 27
Kyle Rae



Ward 28
Pam McConnell



Ward 29
Case Ootes



Ward 30
Paula Fletcher



Ward 31
Janet Davis



Ward 32
Sandra Bussin



Ward 33
Shelley Carroll



Ward 34
Denzil Minnan-Wong



Ward 35
Adrian Heaps



Ward 36
Brian Ashton



Ward 37
Michael Thompson



Ward 38
Glenn De Baeremaeker



Ward 39
Mike Del Grande



Ward 40
Norman Kelly



Ward 41
Chin Lee



Ward 42
Raymond Cho

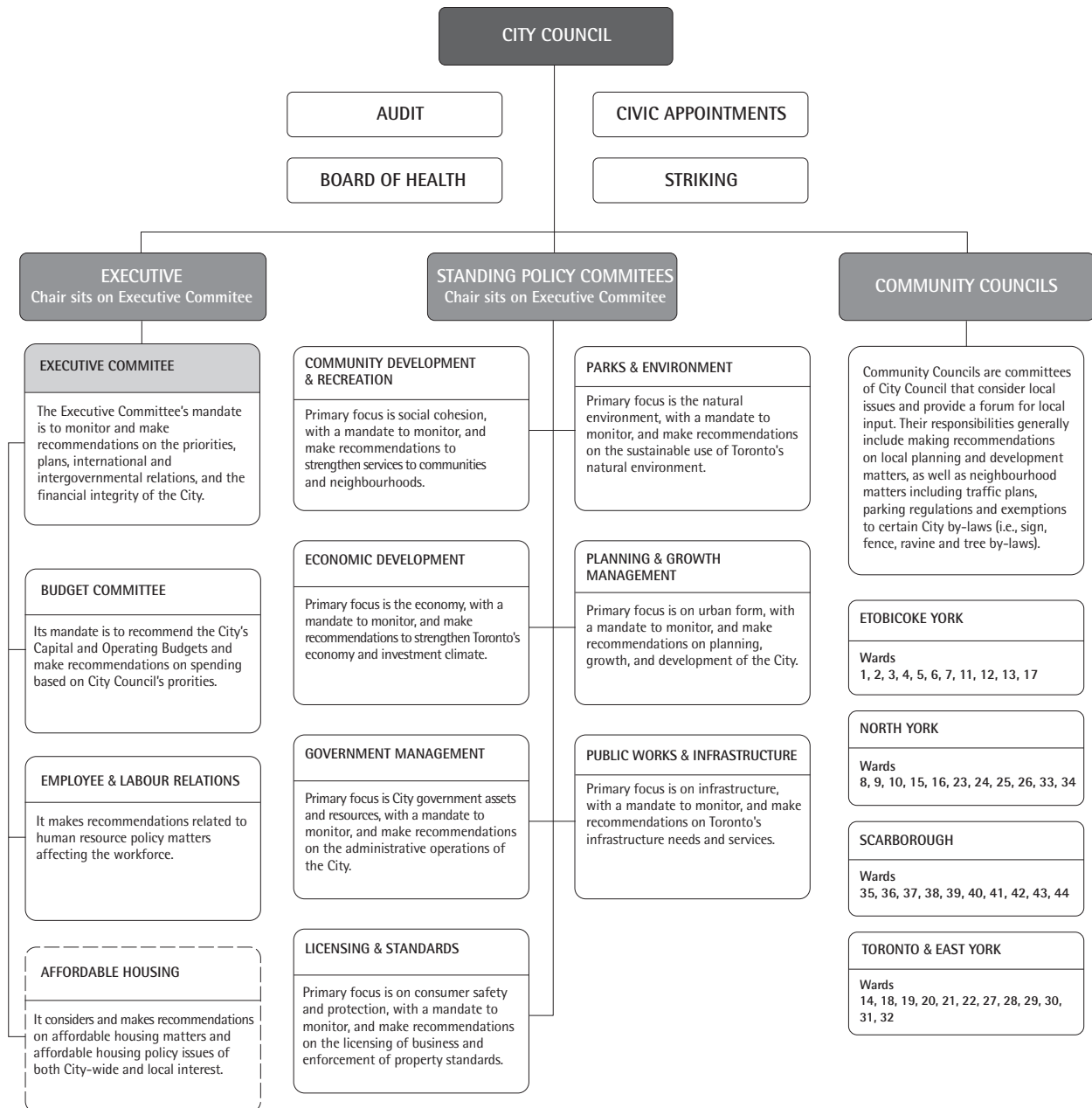


Ward 43
Paul Ainslie



Ward 44
Ron Moeser

COUNCIL-COMMITTEE STRUCTURE AND MANDATES

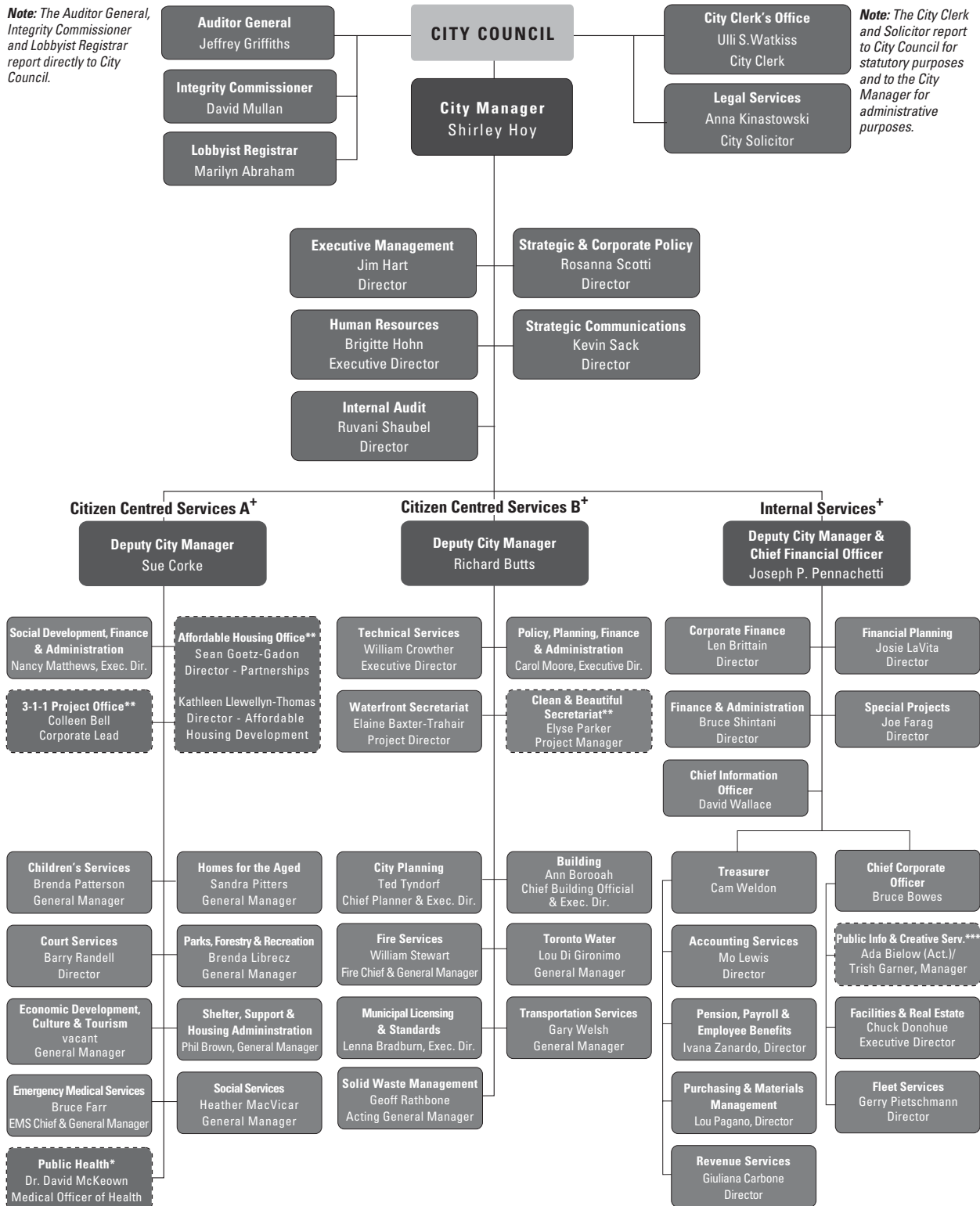


CITY ADMINISTRATIVE STRUCTURE

As of June 2007

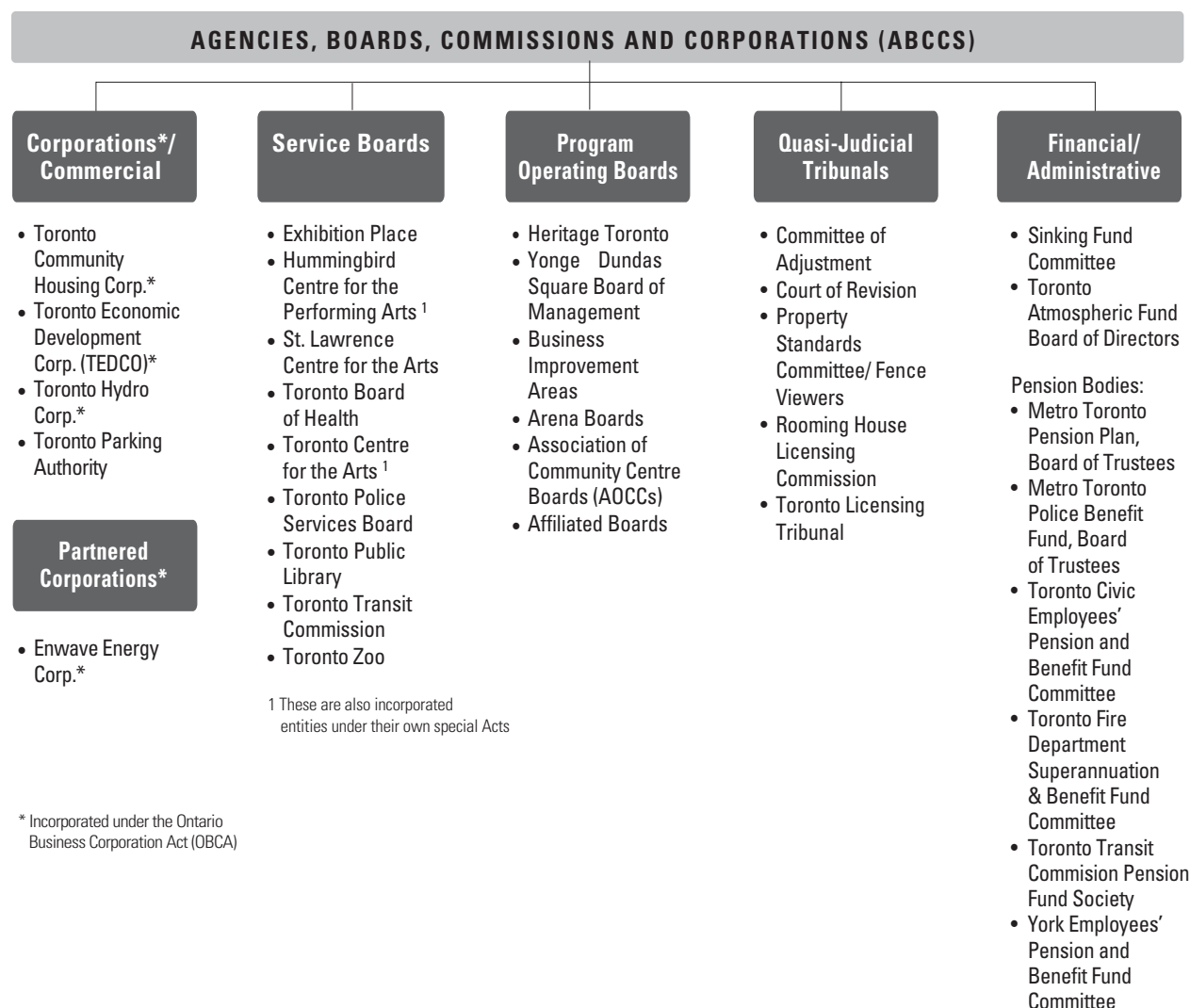
Note: The Auditor General, Integrity Commissioner and Lobbyist Registrar report directly to City Council.

Note: The City Clerk and Solicitor report to City Council for statutory purposes and to the City Manager for administrative purposes.



* The Medical Officer of Health reports to City Council through the Board of Health
 ** Special Project Offices
 *** Interim reporting relationship pending establishment of 3-1-1 and review of communications support functions
 † Denotes interim title

CITY OF TORONTO'S SPECIAL PURPOSE BODIES



EXTERNAL AND PARTNERED ORGANIZATIONS

12 Alexander Street Project	Centre Corporation Moving the Economy
Art Gallery of Ontario	Municipal Property Assessment Corp. Museum of Contemporary Canadian Art
Arts Etobicoke	National Ballet of Canada
Arts York	North York Historical Society
Association française des municipalités de l'Ontario (Francophone Association of Municipalities of Ontario)	Rouge Park Alliance
Bridgepoint Hospital, Board of Governors	Royal Agricultural Winter Fair
Campbell House, Board of Management Canadian Film Centre	Runnymede Hospital, Board of Directors
Canadian National Exhibition Association	Scarborough Arts Council
Canadian Opera House Corp.	Social Housing Services Corp. The Scarborough Hospital, Board of Directors
Canadian Stage Company	The Salvation Army Toronto Grace Health Centre, Board of Trustees
Caribbean Cultural Committee	Toronto and Region Conservation Authority
Crescent Town Club Inc.	Toronto Arts Council
Design Exchange	Toronto Artscape
Dora Mavor Moore Awards	Toronto Business Development Centre
Dragon Boats 2006 – Great White North Dragon Boat Challenge	Toronto Child Abuse Centre
East Metro Youth Services	Toronto Financial Services Alliance
East York Foundation Nominating Committee	Toronto Foundation for Student Success
Foodshare	Toronto Humane Society
Friends of Maple Leaf Cottage	Toronto International Film Festival Group
George R. Gardiner Museum of Ceramic Art	Toronto Public Library Foundation
Greater Toronto Airports Authority	Toronto Symphony Orchestra
Greater Toronto Marketing Alliance	Toronto Waterfront Revitalization Corp.*
Green Tourism Association	Toronto Zoo Foundation
Harbourfront Centre	Tourism Toronto
Hockey Hall of Fame, Board of Directors	Town of York Historical Society
ICLEI – Local Governments for Sustainability	Urban Arts Community Arts Council
Lorraine Kimsa Theatre for Young People	Woman Abuse Council
Metropolitan Toronto Convention	York Community Information
	Young Ambassadors Selection – Committee for Learnx Foundation

* Incorporated under the Ontario Business Corporation Act (OBCA)

KEY CITY BUILDING INITIATIVES

The following Key City Building Initiatives are aligned with the Mayor's mandate, Council-approved policy agenda and the mandates of Toronto's Standing Committees.

The Economy

Strengthen Toronto's economy and investment climate

Social Cohesion

Strengthen services to the communities and neighbourhood.

Infrastructure

Monitor and make recommendations on Toronto's infrastructure needs and services.

Urban Form

Monitor and make recommendations on the planning, growth and development of the City of Toronto.

Consumer Safety and Protection

Monitor and make recommendations on the licensing of businesses and enforcement of property standards.

The Natural Environment

Monitor and make recommendations on the sustainable use of Toronto's natural environment.

Government Assets and Resources

Monitor and make recommendations on the administrative operations of the City,

Strategic Direction; Governance & Finance

Monitor and make recommendations on the priorities, plans, intergovernmental and international relations and financial integrity of the City

TORONTO'S OFFICIAL PLAN

Toronto's future prospects are important for Canada because successful cities are vital to a nation's prosperity. Their success, in turn, is based on their high quality of life, which attracts people, jobs and investment. What kind of city will Toronto be in the twenty-first century? This question affects us all. It is a question the Official Plan addresses. The Plan sets out the choices that, during extensive public consultations, citizens indicated would create the most prosperous Toronto.

VISION

The vision of the Plan is about creating an attractive and safe city that evokes pride, passion and a sense of belonging – a city where people of all ages and abilities can enjoy a good quality of life.

A city with:

- vibrant neighbourhoods that are part of complete communities
- affordable housing choices that meet the needs of everyone throughout their life
- attractive, tree-lined streets with shops and housing that are made for walking
- a comprehensive and high quality affordable transit system that lets people move around the city quickly and conveniently
- a strong and competitive economy with a vital downtown that creates and sustains well-paid, stable, safe and fulfilling employment opportunities for all Torontonians
- clean air, land and water
- green spaces of all sizes and public squares that bring people together
- a wealth of recreational opportunities that promotes health and wellness
- a spectacular waterfront that is healthy, diverse, public and beautiful
- cultural facilities that celebrate the best of city living
- beautiful architecture and excellent urban design that astonishes and inspires

In keeping with City Council's Strategic Plan, the Toronto Official Plan's vision is all about ensuring Toronto remains an attractive and safe city that evokes pride, passion and a sense of belonging.

It proposes some fundamental social, environmental and economic choices that will help meet the needs of today and ensure that future generations have the ability to meet their needs. The Plan will preserve and strengthen the character of the City's neighbourhoods, parks, ravines and open spaces, which together make up about 75 per cent of the city. The Plan directs growth to the remaining 25 per cent of the City – areas like downtown and the main roads.

PRINCIPLES

The Plan is based on four core principles:

- Diversity and opportunity – diversity is Toronto's strength because it means vibrancy, inclusiveness and adaptability, and enables the city to offer a dynamic mixture of opportunities for everyone to live, work, learn and play here.
- Beauty – all successful cities astonish with their human-made and natural beauty. People want to live in cities that understand their past and push their creative limits.

- Connectivity – the choices we make about where we live, how we travel, where we work, shop and play all have an impact on, and are affected by, other choices.
- Leadership and stewardship – leadership and stewardship in the successful city are not confined to elected officials but include everyone, from volunteers in grassroots community organizations to the chief executive officers of our largest corporations.

Updates to the City of Toronto's Official Plan can be found at <http://www.toronto.ca/torontoplan>.

CITY OF TORONTO

2007
Budget Summary

**Financial Condition &
Performance**



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MESSAGE FROM THE DEPUTY CITY MANAGER & CHIEF FINANCIAL OFFICER



While significant financing challenges exist in 2007, the City of Toronto continues to make financially strategic advancements for establishing long-term financial plans which are reflected in the 2007 Capital and Operating Budgets.

Toronto City Council approved their first Five-Year Capital Plan of \$6.7 billion with a major focus on improving city transit and transportation (two-thirds of the budget), and the environment for a safer, cleaner, greener and beautiful city. The Five-Year Capital Plan also addresses the City's state of good repair capital requirements within debt affordability guidelines and limits the growth in infrastructure repair backlogs.

Although the City was able to balance affordable debt limits against the maintenance of City assets, without sustained new sources of funding, the debt burden for capital expenditures will continue to rise and the City will be unable to provide the new services or facilities required to meet growth demands. This highlights the need for a national transit strategy in order to sustain the City's plans for transit infrastructure and the Toronto Transit Commission (TTC) which makes up fifty per cent of the Capital Plan.

Going forward, the preliminary estimates show that the City's net debt will escalate significantly. Gas tax funding from the federal and provincial governments has alleviated some of the capital financing pressures and will help to lessen future debt requirements. However, debt charges continue to be the second largest component of the property tax bill, behind Police Services. The infrastructure demands can only be met through new revenue sources which requires sharing of sales taxes to ensure long-term plans are properly funded.

While the Province has partnered with the City in providing funding for TTC's capital program, the City needs a long-term commitment to fund 50% of transit operations in 2008 and to upload the funding for social service programs over the next three years (2008-10).

Results from independent credit rating agencies reaffirm the City's efforts in expenditure restraints and sound financial planning. Strong stable credit ratings of AA and AA+ reflect the City's financial endurance and optimistic outlook for work being done both within and with other orders of government. High credit ratings and relatively low debt levels highlighted by independent credit rating

agencies also note prudent financial management that continues to yield positive, stable results and a large diverse economy.

The potential for a stronger Toronto through the new City of Toronto Act and revenue tools to support city-building initiatives and priorities should be realized in 2008.

Although these taxation powers do not address the City's long-term fiscal imbalance, they do support a more optimistic financial future, with stronger inter-governmental relations and agreements needed for financial sustainability. This outlook, combined with ongoing prudent financial planning and continued review of service efficiencies will deliver the best value in services for Toronto's residents and businesses and indeed for the economic benefit of Ontario and Canada.



Joseph P. Pennachetti
Deputy City Manager and Chief Financial Officer

FISCAL CAPACITY

Every year, the City faces the challenge of matching its spending needs to its ability to raise revenues. There is a permanent or "structural" mismatch between spending and revenues. This has been caused by:

- The City's primary revenue sources, property taxes and user fees, do not grow with the economy like income and sales taxes do. The City is not allowed to collect income and sales taxes. Property taxes and user fee increases over the years have generally followed the rate of general inflation.
- The City's operating costs have been increasing faster than the rate of general inflation because of population growth, higher construction, energy and labour costs, and because of increasing demands for service.
- The City's physical infrastructure is getting older and is not being repaired and replaced as fast as it should be.
- High property tax yielding industrial properties are being converted to low tax yielding residential properties.

The Conference Board of Canada provided a clear and objective analysis of this issue. In its June 2005 report titled "Measuring Toronto's Fiscal Capacity: An Executive Summary," it indicated that the City faced a combined capital and operating annual fiscal shortfall of \$1.1 billion in 2006 to fulfill its current program responsibilities and begin to address its infrastructure gap. The study also indicated that the imbalance would grow by over \$100 million each year unless property taxes were able to grow by the same amount. The study identified an upload of financial responsibilities and/or transfer of sales or income tax revenue capacity from the provincial or federal government as a solution to the shortfall.

PHYSICAL INFRASTRUCTURE

The City owns a significant amount of physical assets, comprising roads, expressways, bridges and traffic signal controls, water and wastewater treatment facilities, distribution and collection pipes, reservoirs, pumping stations, subways, streetcars, buses, civic centres, recreation facilities, public housing buildings, parkland and other lands. This infrastructure, excluding land, is currently estimated to be worth in excess of \$61 billion. The City's capital program is driven largely by the costs of maintaining its physical assets in a state of good repair.

	Estimated Asset Value
Transportation Infrastructure	\$10 Billion
Water & Wastewater Infrastructure	\$27 Billion
Public Transit System	\$9 Billion
Buildings, Facilities & Fleet	\$9 Billion
Housing Infrastructure	\$6 Billion
Total (excluding land)	\$61 Billion ++

The City's road network, the majority of which was constructed in the 1950s and 1960s, is in need of major repair and rehabilitation. The City's water and wastewater network is similarly aged – 50% of the water pipes and 30% of wastewater pipes are more than 50 years old, while 7% of watermains and 3% of wastewater infrastructure are more than 100 years old. Due to fiscal constraints, the City's current spending in the capital program is less than ideal. Insufficient funding to the state of good repair for all programs has created repair and replacement backlogs worth \$1.1 billion, which will grow to 1.4 billion by 2011, an increase of \$300 million as shown in the table below. The current backlog of Transportation Services alone is estimated to be \$301 million, made up of \$163 million in roads and sidewalks, \$49 million in bridge rehabilitation, and \$89 million related to the western Gardiner Expressway. In addition, capital requirements resulting from population growth and demographic changes further exacerbate capital underfunding. The City's 2002 Official Plan projects population growth of up to a million people in the City of Toronto, raising the population to 3.5 million people in 30 years. More buses, social housing, recreation centres, etc., are required, which will put pressures on the City's capital and operating budgets.

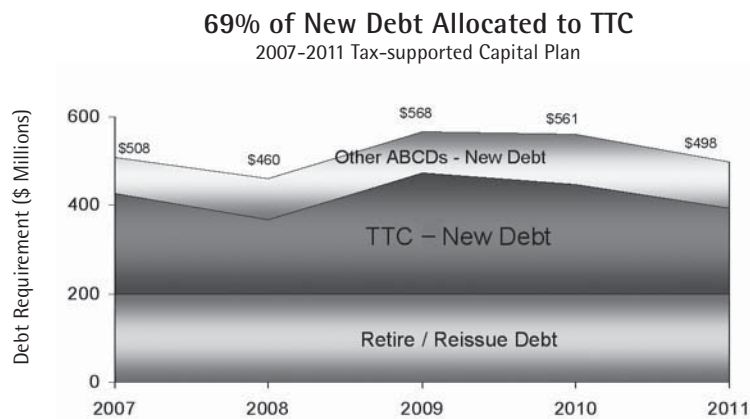
State of Good Repair Backlog (\$000s)

Category	2006	2007	2008	2009	2010	2011	2011 Change from 2006 Increase (Decrease)
Citizen Centred Services – A	229,967	283,080	294,895	308,768	331,376	351,327	121,360
Citizen Centred Services – B	305,800	310,092	322,335	349,052	399,029	420,291	114,491
Internal Services	222,820	203,585	178,699	161,020	137,172	108,424	(114,395)
Other City Programs	11,925	7,925	3,975	1,125	550	830	(11,095)
Total – City Operations	770,512	804,682	799,904	819,965	868,127	880,872	110,360
Special Purpose Bodies	325,181	362,886	400,298	443,541	483,989	510,841	185,660
Total – Tax Supported Programs	1,095,693	1,167,568	1,200,202	1,263,506	1,352,116	1,391,713	296,020

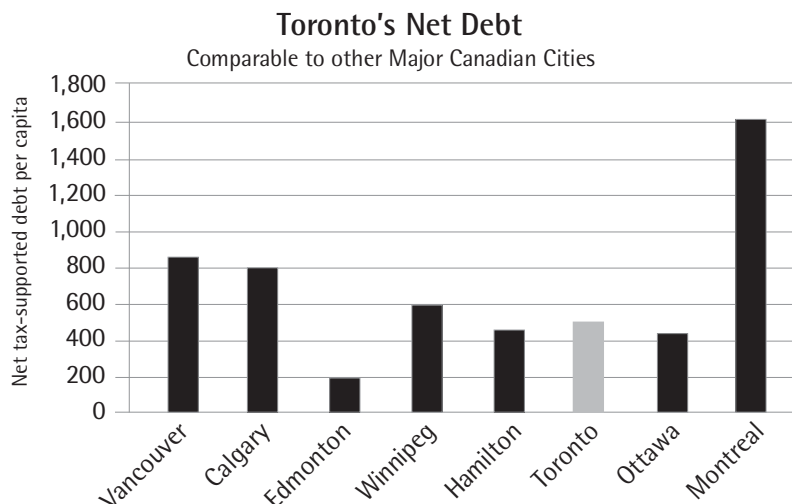
CAPITAL FINANCING AND DEBT

At the beginning of 2006, the City authorized the issuance of up to \$500 million in debentures in order to fulfill a portion of its capital financing requirements. In July, 2006, the City issued \$300 million sinking fund debentures with a term of 10 years and an interest rate of 4.85% per annum. In September, 2006, a total of \$200 million in sinking fund debentures consisting of \$100 million for a term of five years and a yield of 4.20% per annum and \$100 million for a 10 year term and an interest rate of \$4.50% per annum.

Like other Ontario municipalities, the City is only allowed to borrow to fund capital expenditures. Toronto has enjoyed relatively low debt levels; however, there is a sizeable gap between future capital expenditure needs and ongoing revenue sources. For the next five years, the Toronto Transit Commission (TTC) is driving the majority of the new debt required. In fact, 69% of the new debt is allocated to the TTC.

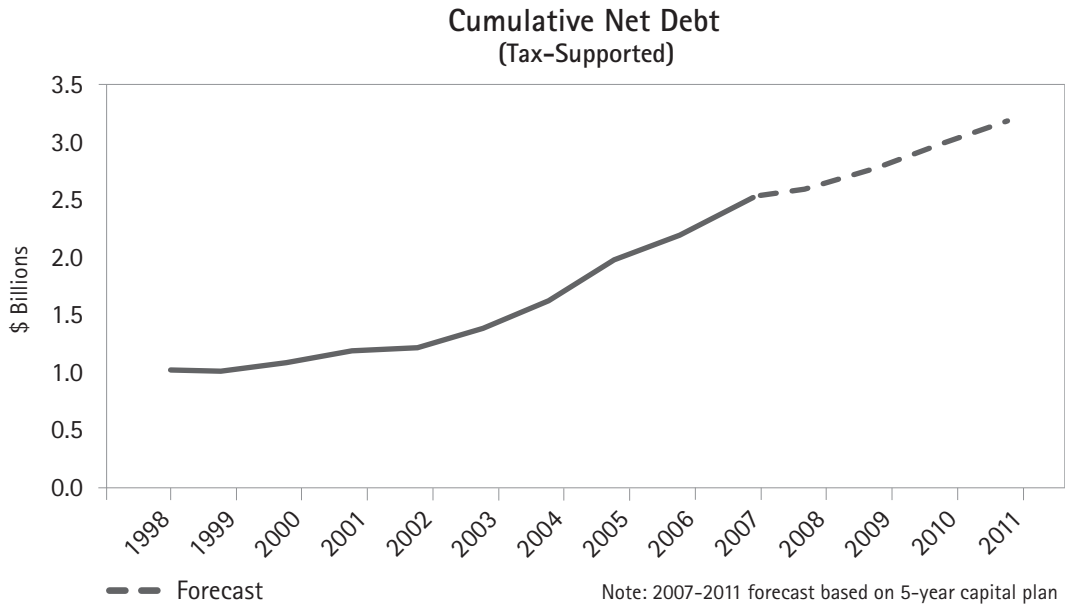


Toronto's net tax-supported debt per capita is comparable to other major Canadian municipalities.

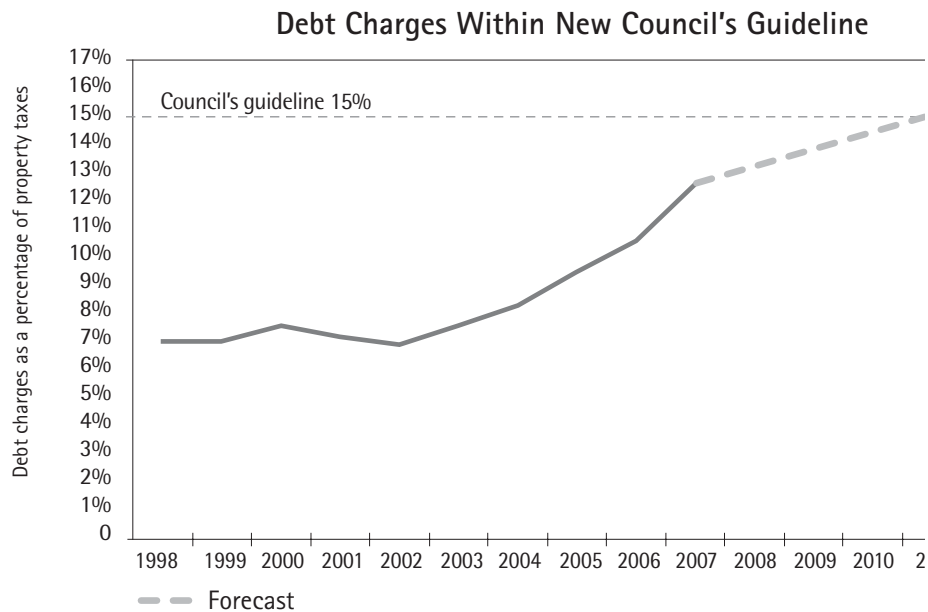


Source: DBRS Canadian Municipal Government Fact Sheet February 2007

Going forward, preliminary estimates show that the City's net debt will escalate significantly if all capital needs that have been identified were to be funded. Gas tax funding from the federal and provincial governments has eased some of the capital financing pressures and will help to lessen future debt requirements. The City is currently reviewing the five-year capital plan in order to limit debt to a more affordable and sustainable level.

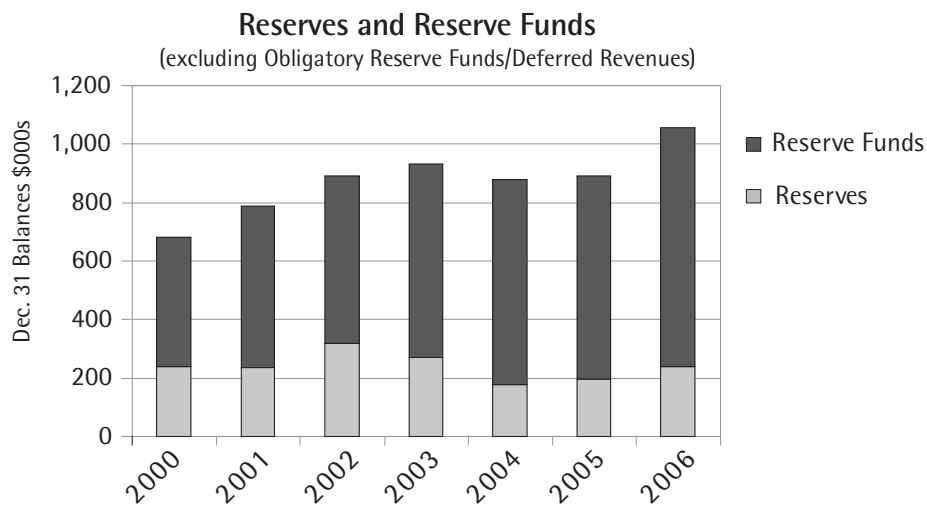


Debt charges are the second largest part of the property tax bill (behind police services). In 2006, City Council approved a new debt service guideline of 15 per cent (up from 10 per cent) of property tax revenues in a given year. Although only a guideline, this limit means that at least 85 cents on each tax dollar raised is available for operating purposes. Current forecast shows that the City's debt charges will fall within this guideline in the next few years, but could reach the target as early as 2011.



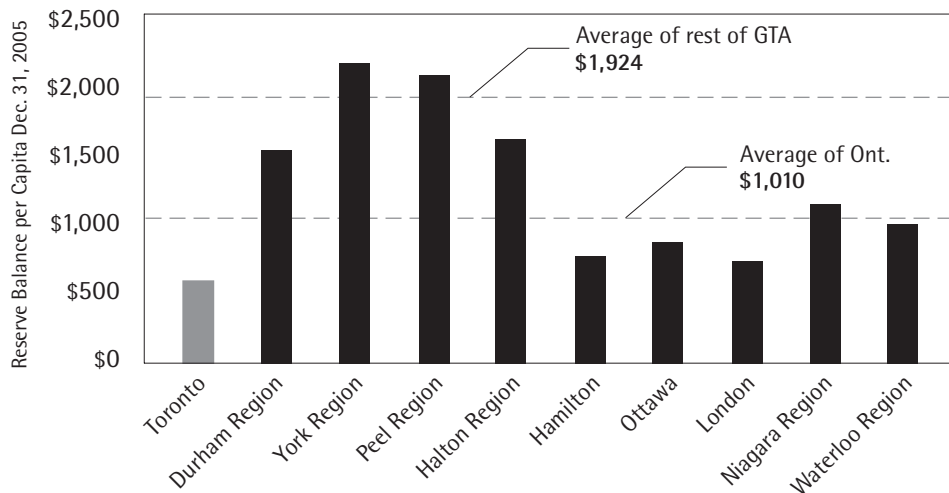
RESERVES AND RESERVE FUNDS

As at December 31, 2006, the City had \$1.1 billion in Council-directed reserves and reserve funds, comprising \$238.9 million in Reserves and \$818.6 million in Reserve Funds. These funds have been set aside by Council to pay certain liabilities, to defend the City against an economic downturn or other factors that result in a budget deficit, to smooth out program expenditures which may fluctuate from one year to the next, and to accumulate funds for future capital requirements. While the reserves and reserve funds balance would appear to be a large sum, the City's liabilities that the reserves and reserve funds are associated with are currently estimated to be in excess of \$2.5 billion. The lion's share of the liability is for employee benefits that have been earned but are payable in the future when employees leave the City's workforce.



On a comparative basis, the City's overall fund balance on a per capita basis is much lower than most Ontario municipalities – just over half of the Ontario average and just over a quarter of the average of the rest of the Greater Toronto Area (GTA), as shown in the following figure. If the City were to have the same reserve per capita as the average of the rest of GTA, it would have over \$5 billion in reserves, more than enough to offset its outstanding debt and fully fund its employee liabilities. The City is in the process of establishing a long-term reserve strategy to address and mitigate the inadequacy.

Reserve Levels are Lower than Other Municipalities



Source: Ontario Ministry of Municipal Affairs & Housing, City of Toronto
 Regional data consolidated for upper and lower tiers
 Balances include Obligatory Reserve Funds/Deferred Revenues

DEFERRED REVENUES

Funds that are set aside for specific purposes by legislation, regulation or agreement and may only be used in the conduct of certain programs or the completion of specific work are reported as Deferred Revenues (previously Obligatory Reserve Funds). These include funds set aside relating to Development Charges, Parkland Acquisition, Homes for the Aged, and Social Housing. These amounts are recognized as liabilities in the year the funds are deposited, and received into revenue in the fiscal year the related expenditures are incurred or services performed. The balance of such funds as at December 31, 2006 was \$640.5 million. These funds are all committed and are not available at Council's discretion.

REVENUES

2006 Property Taxes and Assessment

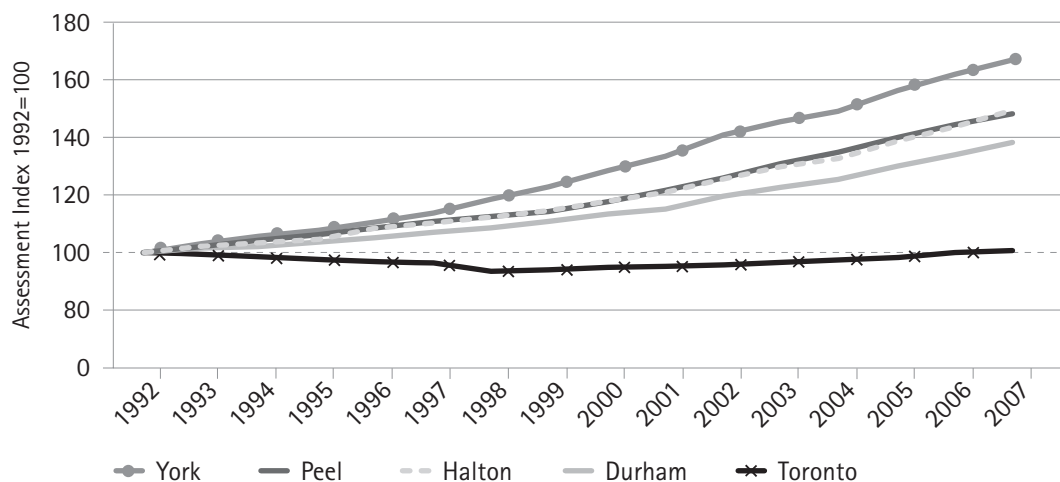
Property tax revenue is the City's single largest source of revenue. The City collects over \$3.2 billion from residential and business property owners, which represented over 41% of the total operating revenues.

In each year, the City is required by provincial legislation to establish tax rates that raise property tax revenues in the amount of the City's budgetary requirement. In addition, the City is also required to levy and collect property taxes for school purposes at the education tax rates prescribed by the Province.

The amount of property taxes payable by a property is determined by multiplying the Current Value Assessment (CVA) of a property by the applicable tax rate for that class of property (e.g., residential, commercial, industrial, or multi-residential). The total tax rate for a class consists of a municipal tax rate necessary to meet the City's budgetary requirement and the education tax rate necessary to fund the costs of education.

Over the last fifteen years, the Greater Toronto Area experienced quite remarkable economic and population growth following the recession of the 1990s. The Toronto region (CMA) contains a number of the fastest-growing municipalities in Canada between 2001 and 2006. The bulk of the new construction and the associated assessment increase are located in the surrounding areas in the GTA. For example, York Region's total assessment increased by more than 67% during this period, as shown in the following chart. By comparison, the City of Toronto saw a gradual decline in assessment from 1992 to 1998, and there has been only a minimal increase since then. In fact, Toronto's property assessment has just returned to its 1992 level.

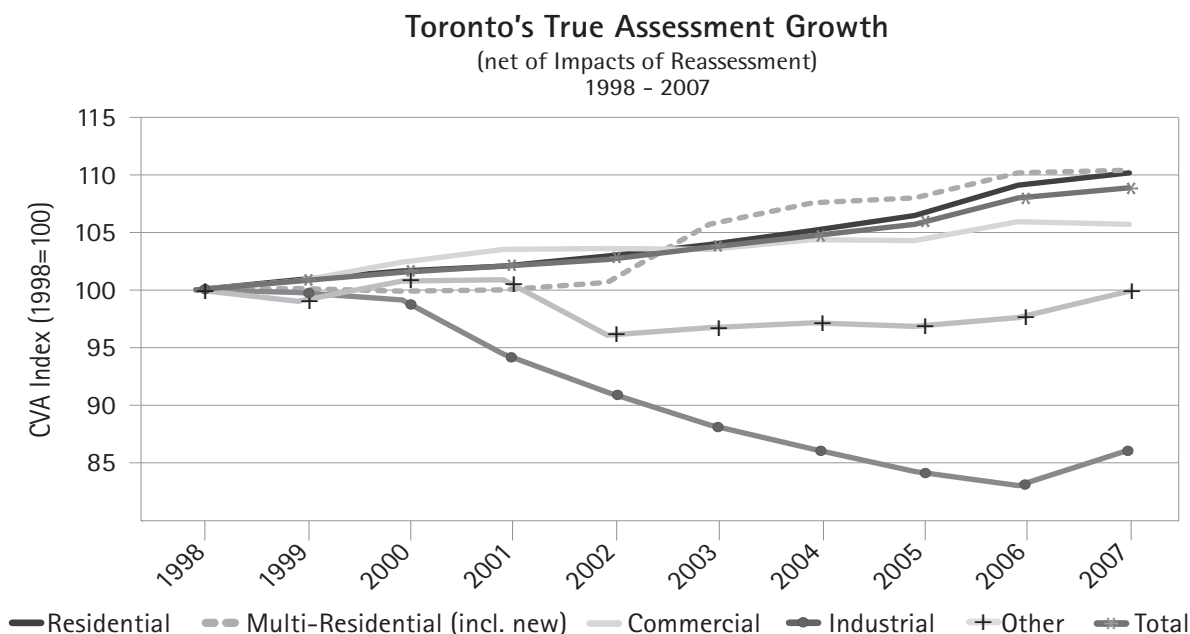
Unlike the Rest of GTA Enjoying Sizable Assessment Growth, Toronto Has Just Returned to its 1992 Level



Source: MMAH's MARS, MPAC, Annual Financial Reports of the respective regions and survey.

From 1998 to 2007 the total property assessment of the City's properties saw a total true net growth of 9% when the impacts of property reassessment are removed. Within the various property classes, the residential and multi-residential property classes each saw an increase of about 10%. For the non-residential

properties, commercial properties increased by a modest 5.6% and industrial properties had a net decrease of almost 14%. This is illustrated in the chart below.



In 1998, the Province of Ontario reformed the property assessment and taxation system in Ontario with the implementation of the Current Value Assessment (CVA) system. The CVA of a property represents an estimated market value, or the amount that the property would sell for in an open market, arm's length sale between a willing seller and a willing buyer at a fixed point in time. The Municipal Property Assessment Corporation (MPAC) is responsible for property assessment in Ontario and preparing the assessment rolls for municipalities.

Up until 2004, Toronto had been the only municipality in the GTA that was prohibited by provincial legislation from increasing property tax levies on businesses for budgetary reasons. Ontario municipalities whose commercial, industrial or multi-residential tax ratios exceed threshold ratios established by the Province, are restricted from passing on municipal levy increase to those classes. In Toronto, tax ratios for the commercial, industrial and multi-residential tax classes all exceeded the provincial thresholds which meant that no municipal levy increases could be passed on to these classes. This meant that instead of accessing the full assessment base, the City could increase tax rates only on the residential class. While each one percent property tax increase would generate \$32 million if the whole assessment base could be accessed, when the budgeting increases are not levied on businesses, the City could raise only \$12 million from the residential class.

Since 2004, the Ontario Government has on an annual basis passed special regulations which allowed Toronto's tax rate increases on the non-residential classes to be no more than 50% of the rate for the residential tax class. However, as part of a plan to improve business competitiveness, starting in 2006, Toronto's commercial, industrial and multi-residential tax rate increase is limited to one-third of any year-over-year increase in residential tax rates.

In 2006 the Provincial Ombudsman reviewed the Municipal Property Assessment Corporation (MPAC), and the Province subsequently suspended all property reassessment until 2009, at which time the values will be updated to reflect the January 1, 2008 valuation date. Reassessments will take place every four years thereafter. With each reassessment, tax rates are adjusted or reduced to reflect CVA changes. For 2006 and 2007 property values were based on January 1, 2005 valuation date and were used to calculate property taxes.

The City of Toronto Act mandates limits on re-assessment related tax increases to 5% per year for the commercial, industrial and multi-residential property classes. Special provisions to provide tax relief for low-income seniors and disabled persons, as well as charities and similar organizations, are also required.



The chart below illustrates the 2006 taxes payable for the average household in Toronto with an assessed value of \$369,300.

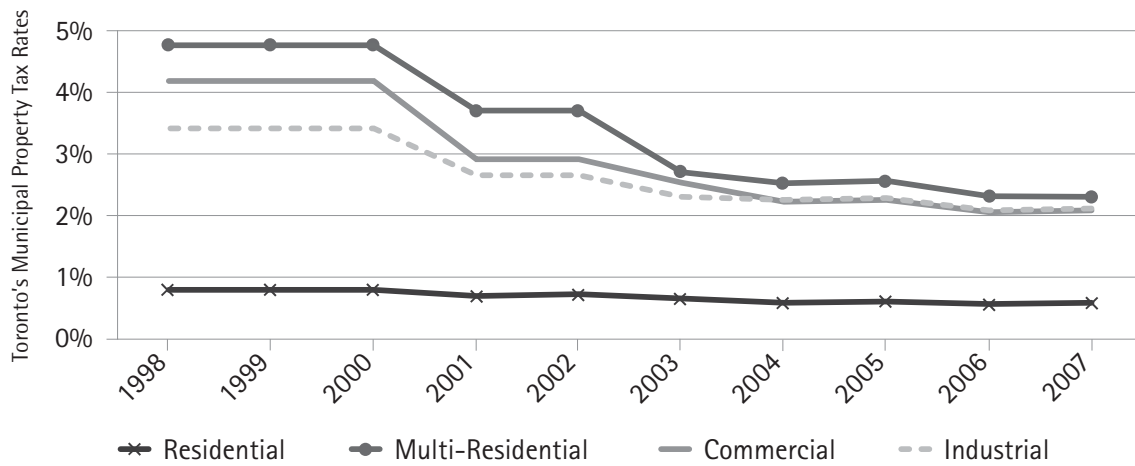
Chart 2: 2006 Average Household Property Taxes
Average residential assessed value – \$369,300

	2006 Tax Rate	2006 Property Tax
Municipal Purposes	0.5668587%	\$2,093
Education Purposes	0.2640000%	\$975
Total	0.8308587%	\$3,068

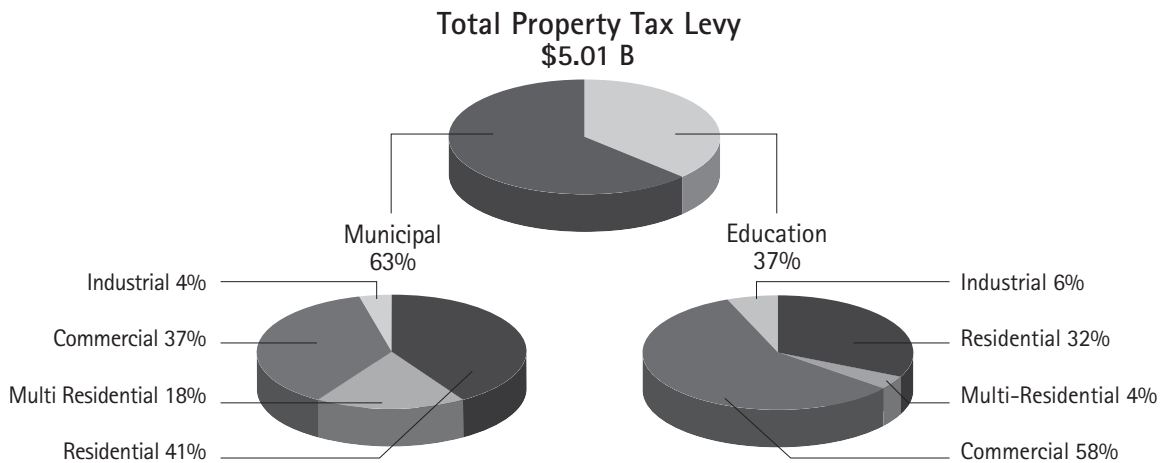
Toronto's Tax Ratios vs. Provincial Theshold Ratios (Municipal Portion Only)

	Taxation Year						Provincial Threshold Ratios
	2001 Taxation Year	2002 Taxation Year	2003 Taxation Year	2004 Taxation Year	2005 Taxation Year	2006 Taxation Year	
Multi-Residential	4.174	4.001	3.870	3.802	3.761	3.707	2.74
Commercial	3.798	3.513	3.516	3.762	3.802	3.746	1.98
Industrial	5.301	4.120	4.120	4.273	4.273	4.171	2.63

Toronto Tax Rate Comparison 1998-2007 (%CVA)



Toronto 2006 Property Tax Levy



Property Tax Relief for Businesses and Seniors

In late 2005 Council approved a comprehensive property tax policy to improve the business climate in the City, and consequently in 2006 implemented the policy of allowing for up to one-third of any residential tax rate increase to be applied to the Commercial, Neighbourhood Retail, Industrial, and Multi-Residential tax classes (i.e. a one percent non-residential tax increase for a residential tax increase of three percent), which would reduce its non-residential tax ratios to 2.5 times the residential rate over 15 years. Other tax strategies include tax relief for neighborhood retail properties, and a lower tax rate for new non-retail commercial and industrial developments.

This tax policy will reduce businesses' taxes by an estimated \$300 million. Other tax strategies include tax relief for neighbourhood retail properties, and a lower tax rate for new non-retail commercial and industrial developments.

Tax relief policies in effect for 2007 include:

- The cancellation of any tax increase for seniors aged 65 or older, or disabled person living with a household income of \$26,000 or less, which residential property assessed value is less than \$454,000 and have occupied his home for at least one year.
- The interest free deferral of any tax increase for seniors aged 50 years or older or disabled persons, whose household income is \$40,000 or less and have owned the property for at least one year.
- A 40% rebate of taxes paid for registered charities owning or occupying space in commercial or industrial properties.

User Fees

User fees are the City's second largest source of revenue. Total user fee revenues including water and wastewater charges were \$1.9 billion, representing almost 23% of total operating revenues. The City's current user fee structures, such as transit fares, public swimming and skating fees, and water and wastewater rates, are at levels generally comparable to, and competitive with, the surrounding municipalities. There is very limited room for rate increases or significant additional sources of revenues.

Other Revenues

The City receives other revenues such as grants and subsidies from other orders of government which are mainly for mandated programs such as social assistance, as well as other income such as parking fines and investment income. Under provincial rules, costs for Social Assistance and Social Housing are pooled amongst the GTA municipalities, and then allocated to the City of Toronto and the other regions using a formula based on weighted property assessment.

CREDIT RATING

The City of Toronto is recognized as an important participant in global financial markets. The maintenance of a high quality credit rating is essential to the City's access to the most cost-effective world capital markets.

Credit rating agencies assess the City's financial position by comparing it with other cities and regions. A number of factors affect the credit rating, such as quality of management; strength of economy; level of reserves, state of repair of assets and debt levels. The rating indicates the City's ability to make payments on the debt now and in the future.

The credit rating also establishes the City's cost of borrowing. A higher rating means less risk for investors. Investors are willing to collect lower interest on lower risk investments.

Currently, the City of Toronto's credit ratings are:

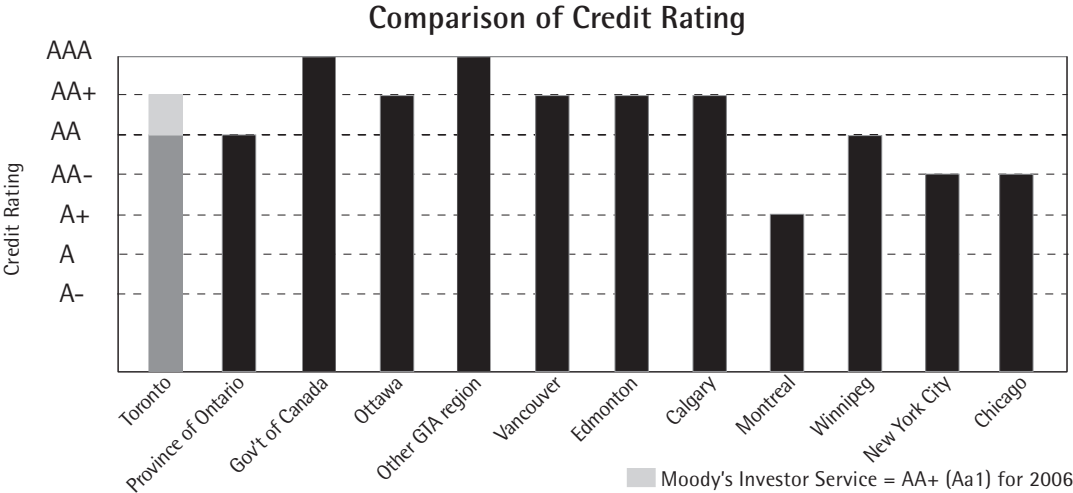
- Aa1 with a stable outlook from Moody's Investor Service – reaffirmed February 12, 2007
- AA with a stable trend from the Dominion Bond Rating Service Ltd. (DBRS) – reaffirmed April 19, 2006
- AA with a stable outlook from Standard and Poor's Canada (S&P's) – reaffirmed March 10, 2006

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
DBRS	AA	AA	AA	AA	AA	AA(high)	AA(high)	AA(high)	AA(high)	AAA
Standard and Poor's	AA	AA	AA	AA	AA	AA+	AA+	AA+	AA+	AA+/AAA
Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1	Aa2	Aa2	Aa2	Aa2	Aa2

In reaffirming the City of Toronto's Aa1 rating and stable outlook in February 2007, Moody's Investors' Services wrote "Toronto's Aa1 debt rating, with stable outlook, is supported by a history of strong fiscal results, despite ongoing operating pressures, a large, diverse economy and a growing but manageable debt burden."

In its Public Finance Report Card: Canadian Municipalities released May 2006, Moody's wrote "Toronto financial flexibility has increased as it has benefited from new provincial and federal grant programs aimed at helping municipalities address infrastructure funding shortfalls. It is expected that a new provincial statute (City of Toronto Act) will expand the City's state of powers, giving it the ability to levy (new) taxes."

The City's credit rating remains among the highest of comparably sized or larger North American cities such as New York and Montreal.



TORONTO'S 2005 PERFORMANCE MEASUREMENT AND BENCHMARKING REPORT

The City of Toronto continues to promote a continuous improvement culture in order to provide the best service value with municipal tax dollars. One way of assessing how well the City is using its resources is through the examination of performance measurement results.

For the past five years the City Manager has prepared a series of reports on Toronto's performance measurement results under the Municipal Performance Measurement Program (MPMP), a provincially-mandated program that requires all Ontario municipalities to report annually to the Ministry of Municipal Affairs & Housing on forty-four performance measures in twelve different service areas.

In April 2007, Toronto issued its *2005 Performance Measurement and Benchmarking Report* which strengthened accountability and enhanced the level of transparency in the way performance measures are reported. This report can be accessed through the following link

http://www.toronto.ca/city_performance/pdf/2005-ombi-measure-benchmark.pdf.

The report includes:

- five-year trends in Toronto's internal performance measurement results and a description of those trends as favourable, stable or unfavourable
- an external comparison of Toronto's results to other Ontario municipalities and the ranking of Toronto by quartile
- results for over a hundred service level indicators and performance measures in seventeen different service areas, each supported by detailed charts and narratives

Noted below is a summary and highlights of this report.

Background

Toronto is unique among Ontario municipalities because of its size and its role as the centre of business, culture, entertainment, sporting and provincial and international governance activities in the Greater Toronto Area. Given Toronto's unique nature, examining Toronto's own year-over-year performance and longer-term historical trends is important, and provides the most comparable performance information.

Toronto's Performance Measurement framework

Toronto's performance measurement framework for service delivery includes the following four categories of indicators and measures:

- **Service Level Indicators** – provide an indication of the service levels, or amount of resources approved by Council or volumes of service delivered to residents. For the purposes of comparing to other municipalities it is often expressed on a common basis, such as the number of units of service per 100,000 population.
- **Performance Measures**
 - > *Efficiency* – compares the resources used to the number of units of service provided or delivered. Typically this is expressed in terms of cost per unit of service.
 - > *Customer Service* – measures the quality of service delivered relative to service standards or the customer's needs and expectations.

- > *Community Impact* – measures the outcome, impact or benefit the City program is having on the communities they serve in relation to the intended purpose or societal outcomes expected. These often tie to the mission statements of the program or service.

It is the responsibility of staff, with the financial resources and associated service levels and/or standards approved by Council, to deliver service as efficiently, and with the highest customer service and/or positive impact on the community, as possible.

Balancing the optimal combination of efficiency and customer service is an ongoing challenge. Too much focus on efficiency, in isolation, may have an adverse impact on customer service or community impact, and vice versa.

With respect to community impact measures, it is also a challenge to separate the portion of these impacts or outcomes that are related to City programs versus the efforts or responsibilities of partners, such as other orders of government or the private sector.

Using this performance measurement framework, Toronto's results can be examined internally over a period of years or externally in relation to other municipalities.

There are also a number of qualitative factors, such as achievements or innovative initiatives currently being piloted, that are not captured in performance measurement results. This information is equally as important and must also be considered in any evaluation. In the past three years for example, Toronto has won more than 50 awards for quality and innovation in delivering public services.

External Comparison Through OMBI

There is also value in comparing Toronto's service level and performance measurement results externally to other municipalities, in order to provide a better understanding of Toronto's own municipal performance.

For a number of years, Toronto has been working with fourteen other municipalities as part of the Ontario Municipal CAOs Benchmarking Initiative (OMBI), which together serve more than 9.1 million residents or 72% of Ontario's population. Through the joint work of municipalities undertaken through OMBI, Toronto's service levels and performance measurement results can be compared to similar information provided by other municipalities.

With the development of the Ontario Municipal CAOs Benchmarking Initiative (OMBI), which is more comprehensive than MPMP, the City of Toronto will continue to focus on the reporting of OMBI results.

The approach and methodologies developed through OMBI, have been constructed over a number of years to enhance the comparability of information and include:

- detailed technical definitions for each performance measure
- costing methodologies based on the Financial Information Return (FIR)
- a methodology to allocate program support costs (such as Human Resources and Information &

Technology) to operating programs (In this way, differences in organizational structure (centralized, de-centralized or mixed program support model) are not a factor in comparisons of costs)

- identification of factors that can influence municipal results for each measure
- a web-based data warehouse used to collect and share information

Panels of experts in each service area have been established with representatives from member municipalities meeting on a periodic basis, to plan for, and review data that has been collected.

In January 2007, OMBI released its first joint report from its fifteen member municipalities, entitled OMBI 2005 Performance Benchmarking Report (OMBI Joint Report), which can be found on the City's website at http://www.toronto.ca/city_performance/pdf/OMBI-public-report-2007-01-08.pdf.

The benefits of this collaboration through OMBI extend beyond the generation of performance measurement results to the identification and sharing of best practices that contribute to superior performance measurement results. A number of best practices have been identified in the roads, solid waste management and water and wastewater service areas, which are listed in Appendix D of the Joint OMBI Report.

There are also a number of qualitative factors, such as achievements or innovative initiatives currently being piloted, that are not captured in performance measurement results. This information is equally as important and must also be considered in any evaluation.

What Servicers are Included in Toronto's 2005 Performance Measurement and Benchmarking Report?

Toronto's 2005 Performance Measurement and Benchmarking Report builds on the OMBI Joint Report and includes five-year internal trends and external comparisons for over 100 indicators and measures in the following 17 service areas:

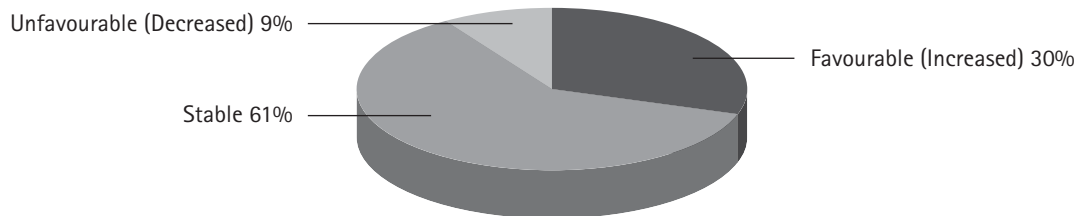
Child Care Services	Road/Transportation Services
Court /POA Services	Social Assistance Services
Emergency Medical Services	Social Housing Services
Fire Services	Solid Waste Management Services
Governance and Corporate Management	Sports and Recreation Services
Hostel Services	Transit Services
Library Services	Wastewater Services
Long Term Care/Homes for the Aged	Water Services
Police Services	

How Have Toronto's Service Levels Changed Over the Past Few Years?

Figure 1 below, provides a summary of Toronto's internal trends for 23 service level indicators included in Toronto's 2005 Performance Measurement and Benchmarking Report. Examples of service level indicators are the lane kilometres of roads per 1,000 persons or the in-service transit vehicle hours per capita.

Results show that that for 91% of the service level indicators, Toronto's service levels have been maintained (stable) or have increased (favourable) in recent years.

Figure 1
Toronto Report – Internal Historical Trends
Service Levels (23 Indicators)

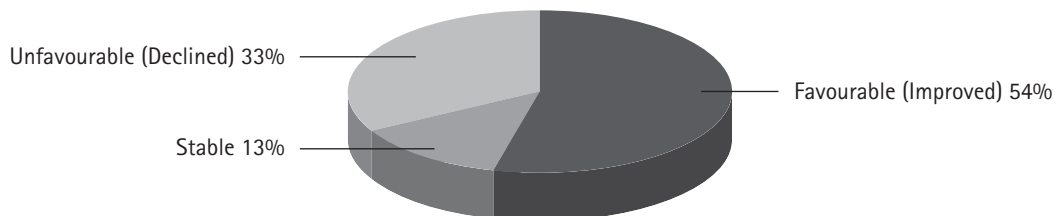


What Are the Internal Trends in Toronto's Performance Measurement Results Over the Past Few Years?

Figure 2 below, provides a summary of Toronto's internal trends over the past few years, of 61 performance measurement results included in Toronto's 2005 Performance Measurement and Benchmarking Report. This includes efficiency, customer service and community impact measures.

Results indicate that 67% of the performance measures examined, had results that were either improved or stable in recent years.

Figure 2
Toronto Report – Internal Historical Trends
Performance Measures (61 Measures)



Examples of areas in which Toronto's performance has improved include:

- increasing supply of regulated and subsidized child care spaces relative to the child population
- decreasing costs of court services, per charge filed
- decreasing rates of residential structural fires, and fire related injuries and fatalities
- increasing usage by residents of electronic and non-electronic library services, and decreasing costs per library use
- continuing high rate of resident satisfaction in homes for the aged
- decreasing total (non-traffic) crime and property crime rates
- decreasing vehicle collision rate
- improving pavement condition of Toronto's roads system
- decreasing (improving) response times for eligibility notification of Social Assistance clients, and decreasing administration costs per case
- increasing solid waste diversion rates

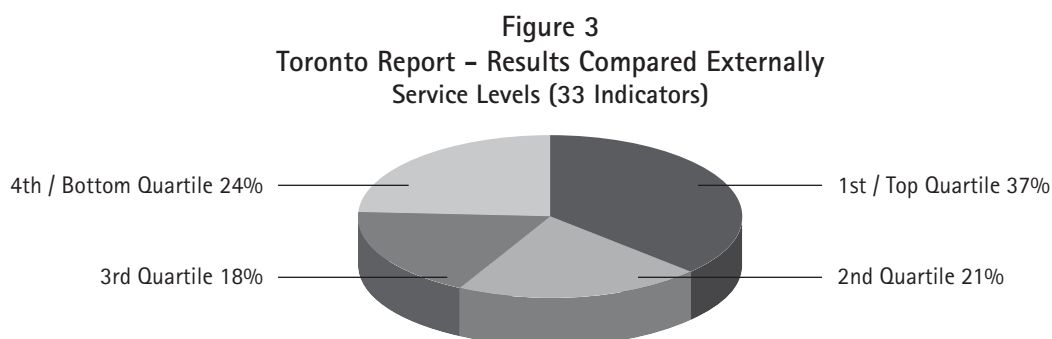
- increasing use per capita (participant hours), of registered sports and recreation programs
- increasing transit trips per person
- decreasing rates of sewer back ups
- decreasing rate of wastewater by-passing treatment

The areas where the internal trends in Toronto's performance measurement results are unfavourable or have declined include:

- twelve efficiency measures, where costs are increasing each year, primarily due to wage increases in collective agreements
- longer response times in EMS (hospital offload delays) and Fire
- the time to trial for POA offences has increased due to shortages of Justices of the Peace
- increased violent crime rate in 2005 (prior to 2005 there had been a decreasing trend)

How Do Toronto's 2005 Service Levels Compare to Other Municipalities?

Figure 3 below, summarizes Toronto's 2005 service levels in relation to other OMBI municipalities. Of the 33 service level indicators, Toronto is higher than the OMBI median (the 1st and 2nd quartiles) for 58% of the indicators.



Most of the areas where Toronto's service levels are high (1st quartile) relative to the other municipalities, can generally be attributed to:

- services where Toronto's size and high population density requires higher service levels which are indicative of large cities
 - > high number of police staff (officers and civilians) per 100,000 population and high policing costs per capita
 - > high number of transit vehicle hours per capita, because of Toronto's multi-modal system and high transit use
 - > high number of library holdings (collection) per capita, due to our extensive research and reference collections, electronic products and multilingual collections
 - > high number of POA charges filed per capita, along with higher amounts of court hours per 1,000 persons

- Higher need or demand for social services in large cities
 - > high childcare investment per child
 - > high rate of social assistance cases per 100,000 households
 - > high number of emergency shelter beds per 100,000 population
 - > high number of social housing units per 1,000 households

- Service delivery model
 - > Toronto has a high number of medical incidents responded to by fire, per 1,000 population
 - > high rate of registered sports and recreation programming (participant hours) offered per capita

Areas where Toronto's service levels appear to be low (4th quartile) relative to other municipalities, are primarily related to much higher population densities in Toronto than in the other OMBI municipalities.

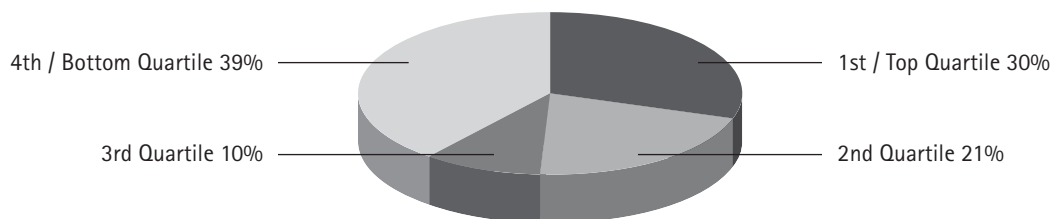
This includes:

- fewer facilities or less infrastructure required in densely populated municipalities like Toronto because of proximity and ease of access, while other less densely populated municipalities require proportionately more facilities or infrastructure to be within a reasonable travel distance of their residents
 - > low number of large and small sports and recreation community centres, and indoor ice pads per 100,000 population
 - > low number of library hours per capita (impacted by number of library branches)
 - > low number of road lane km. per 1,000 population
- fewer emergency services vehicle-hours may be required in densely populated municipalities like Toronto for emergency response because of the close proximity of vehicles and stations to residents (Those municipalities with lower population densities (including rural areas in some municipalities) may require proportionately more vehicle hours in order to provide acceptable response times.)
 - > low number of fire vehicle hours per capita
 - > low number of EMS vehicle hours per 1,000 population

How Do Toronto's 2005 Performance Measurement Results Compare to Other Municipalities?

Figure 4 summarizes Toronto's 2005 performance measurement results in relation to other OMBI municipalities, for seventy-one measures of efficiency, customer service and community impact. Results indicate that Toronto is better than the OMBI median (1st and 2nd quartile) for 51% of these performance measures. These results are comparable to the other large single-tier municipalities in OMBI who also have responsibility for the full range of services included in this report.

Figure 4
Toronto Report – Results Compared Externally
Performance Measures (71 Measures)



Some of the areas in which Toronto is performing well include:

- performance measures where Toronto has the top/best result of the OMBI municipalities:
 - > highest collection rate for POA fines (court services)
 - > lowest rate of residential fire related injuries per 100,000 population
 - > lowest rate of governance and corporate management costs as a percentage of total operating expenditures (single-tier municipalities)
 - > highest rate of total library uses and electronic library uses per capita, as well as the highest turnover rate (number of times an item is borrowed) of the circulating collection
 - > within 0.01% of having the highest rate of long term care resident satisfaction (98%)
 - > highest pavement quality rating for our roads system
 - > highest possible result (100%), for the number of winter event responses on roads meeting standard
 - > highest rate of residential solid waste diversion for houses
 - > highest rate of transit trips per capita
 - > lowest cost of providing transit services per passenger trip
 - > lowest cost of drinking water treatment per megalitre
 - > best possible result for drinking water quality (no boil water advisories)

- Performance measures where Toronto's result is better than the median (1st or 2nd quartile) of the other OMBI municipalities include:
 - > higher number of regulated child care spaces per 1,000 children and higher number of subsidized spaces per 1,000 children from low income families, as well as lower child care costs per subsidized space
 - > lower costs of court/POA services per charge filed
 - > lower rate of residential structural fires (at median), lower rate of fire related fatalities and a lower/better fire response time to emergencies
 - > higher occupancy rate of emergency shelters
 - > higher rate of non-electronic library use and lower cost per library use
 - > lower long-term care costs per bed-day
 - > lower property crime rate and lower youth crime rate (based on youths cleared by charge or cleared otherwise)
 - > lower administration cost of social assistance per case, and lower (shorter) response times for eligibility notification of social assistance clients

- > lower overall residential (houses and apartments) solid waste diversion rate and lower solid waste collection costs per tonne
- > higher participant hour usage per capita, of registered sports and recreation programs
- > lower amounts of wastewater by-passing treatment
- > lower water use per household

There are also a number of the areas in which Toronto's performance measurement results fall below, or are not as good as the OMBI median, falling in the 3rd or 4th quartile.

Some of these results can be attributed to the following factors:

- Measures that Toronto has little control over:
 - > high wait time, for trial of POA offences, due to shortage of Justices of the Peace
 - > higher benefits and total cost per social assistance cases due to a greater percentage of Toronto's clients reaching the maximum of the shelter component resulting from higher housing costs in Toronto
 - > low percentage of the social housing waiting list is placed annually (longer wait times) because of a shortage of social housing
 - > high length of stay in Toronto's emergency shelters due to shortage of available social housing and the availability of transitional shelter beds in Toronto, which have longer stays
 - > a lower rate of long term care beds (both municipal and other providers) as a percentage of the population age 75 and over
 - > higher subsidy costs per social housing unit because initial land and construction costs were higher in Toronto (resulting in higher mortgage costs) and a higher proportion of Rent Geared to Income (RGI) units with RGI costs directly related to the high market rents in Toronto
- Measures impacted by Toronto's high density urban form include:
 - > higher violent crime and total (non-traffic) crime rate and a higher rate of increase in the 2005 violent crime rate (Densely populated municipalities tend to have higher violent crime rates. Toronto's results compare favourably to other heavily urbanized municipalities in Canada and the United States.)
 - > higher cost of solid waste transfer/disposal per tonne (Without our own local municipal landfill site, which is not practical in this urban setting, Toronto's cost of waste transfer and disposal will always be higher than those municipalities that have the advantage of a local landfill site.)
 - > high rate of traffic congestion on roads and a higher vehicle collision rate on these congested roads
- Measures where Toronto's less favourable results are heavily influenced by the advanced age of our infrastructure:
 - > higher cost of water distribution per km. of pipe and higher number of water main breaks per km. of pipe (More than 20% of Toronto's water system is over 80 years old, leading to more watermain breaks and higher costs relative to municipalities with newer water distribution systems.)
 - > higher cost of wastewater collection per km. of pipe and higher rate of sewer back-ups per 100 km. of sewer line (More than 30% of the Toronto sewer system is over 50 years old and 24% of it is combined sanitary/storm sewers, requiring higher and more costly maintenance levels. There are also

approximately 80,000 homes which have downspouts connected to the sanitary/storm sewer system, leading to sewer back-ups especially during storm events.)

> higher costs of wastewater treatment per megalitre, due to the age of our plants (the oldest has been in operation since 1929)

- Measures with high costs required for effective service delivery:
 - > high costs for solid waste diversion per tonne but Toronto also has the highest diversion rate for houses of the OMBI municipalities
 - > Toronto has high costs of roads maintenance but also has the highest pavement condition rating of the OMBI municipalities
 - > higher cost of winter roads maintenance per lane km. but Toronto also has high winter maintenance standards and our urban form, including narrow streets, on-street parking and traffic congestion during storm events, add to our costs
 - > high transit cost per vehicle hour and per revenue vehicle hour, however this is due to Toronto's multi-modal system with subways, streetcars and the light rail transit more expensive to maintain than buses which are used exclusively in other municipalities (This multi-modal system leads to the highest transit use per capita of the OMBI municipalities.)

- Other performance measures where Toronto falls below the OMBI median:
 - > higher Emergency Medical Services cost per in-service vehicle hour
 - > higher fire costs per in-service vehicle hour
 - > lower clearance rates for total (non-traffic) crime and violent crime
 - > lower number of criminal code incidents in the municipality per police officer
 - > rate of decrease in Toronto's 2005 total (non-traffic) crime rate and property crime rate was not as large as the decrease in other municipalities
 - > Toronto's 2005 youth crime rate (cleared by charge or cleared otherwise) increased slightly from 2004 but in most other municipalities youth crime decreased in 2005 (excluding the 2005 vs. 2004 change Toronto's 2005 youth crime rate is still low, in the top quartile of the municipalities).
 - > higher average time period that an individual or family receives social assistance – Toronto staff that support social assistance cases, carry a high case load in relation to other municipalities which could be a factor
 - > lower percentage of the population using registered sports and recreation programs at least once

Continuous Improvement

The City continues to look for ways in which performance can be improved. Examples of some of the initiatives that have or are taking place include:

- Winter maintenance of roads – in 2005, Toronto received a gold award at the Public Sector Quality Fair for our salt management plan which has reduced the volume of salt used while maintaining safe winter driving conditions for vehicular and pedestrian movements.
- Road maintenance – new street sweeping equipment, technology and routing is expected to reduce costs and alternatives are being examined for diversion of residual material.

- **Water and Wastewater**

- > Emerging technologies in the relining and trenchless technology field, may reduce the renewal costs and avoid the need for a complete system replacement.
- > Programs to reduce sewer back-ups include the free disconnection of downspouts for residents who request it, and a subsidized program to assist homeowners with the repair and replacement of sewer laterals, which are damaged or blocked by city trees.
- > Wastewater treatment plants have implemented energy efficiency measures and are continuing to do so as opportunities arise.

- **Solid Waste Diversion**

- > will be implementing efficiencies at organics processing facility to increase the processing capacity of source separated organics (Also are examining optical sorting technology to improve mechanical sorting of single stream materials.)
- > In 2005, the City instituted a single-stream recycling pick-up for residents allowing them to mix recyclables all in the same box. This has the dual advantage of making recycling easier for residents and improving collection efficiency. The City also utilizes co-collection vehicles to optimize collection activities, collecting garbage and green-bin materials on a single vehicle one week and then recyclables and green-bin materials on a single vehicle the next week.

- Solid Waste Disposal – compressed hours of operation at transfer stations to eliminate need for night shift.
- Solid Waste Collection – re-routing of collection routes.

Conclusion

Further work is to be done with our municipal partners to expand the program areas we are able to report benchmarking results on, and identify and validate best practices that can lead to superior performance that can then be collectively shared.

The City continues to promote a continuous improvement culture in order to provide our citizens and businesses with services that are as efficient and effective as possible, looking for the optimal combination of efficiency and quality and beneficial impact on our communities.

For more detailed information on this report by specific service area visit http://www.toronto.ca/city_performance/pdf/2005-ombi-measure-benchmark.pdf.

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CITY OF TORONTO

2007

Budget Summary

Corporate Budget Overview



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2007 OPERATING BUDGET SUMMARY

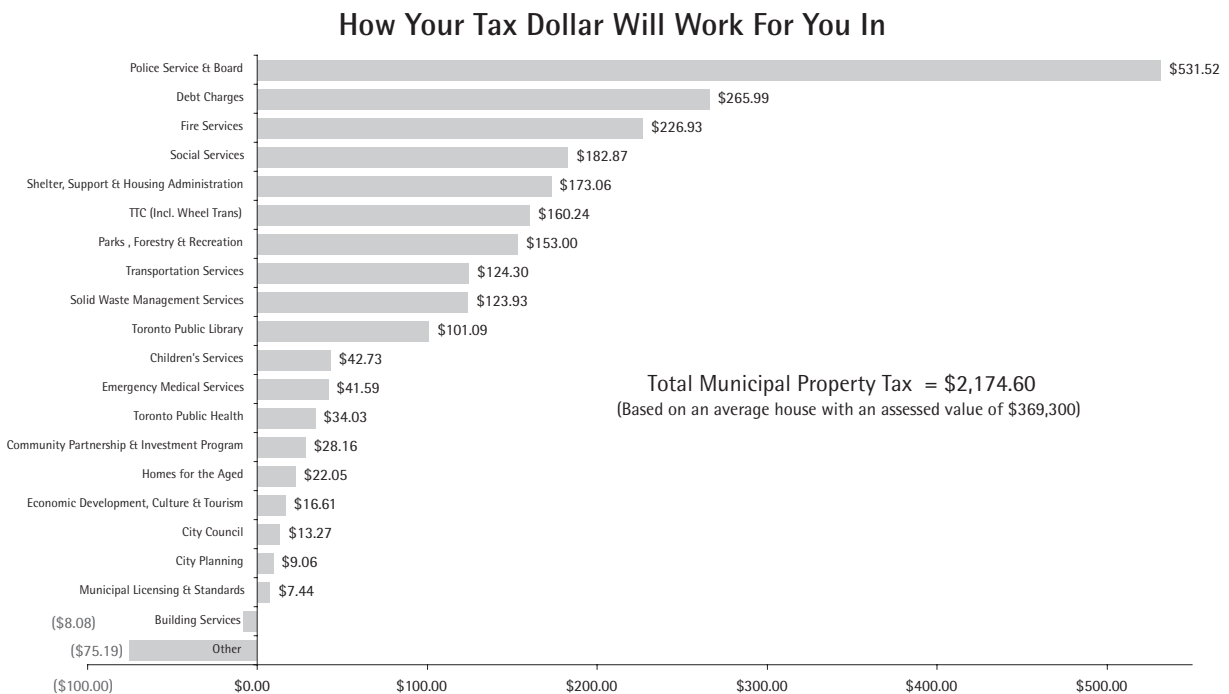
TAX SUPPORTED PROGRAM – CORPORATE SUMMARY

On April 20 and 23, 2007, Toronto City Council approved the 2007 Operating Budget of \$7.797 billion gross, which represents a \$190.611 million or 2.5% increase over 2006. To deliver services approved by City Council in 2007 this budget includes a base budget of \$7.746 billion gross and \$3.206 billion net. Compared to 2006, the 2007 Approved Base Budget reflects a gross expenditure increase of \$139.428 million or 1.8%. This confirms that expenditures have been contained through the City's continuous improvement and efficiency initiatives. In addition, investments in new and enhanced services that are aligned to Council priorities and the Mayor's mandate total \$51.183 million gross and \$14.363 million net.

The 2007 Approved Operating Budget continues the strategic process of balancing short-term needs against long-term objectives. Furthermore, it sets the framework for implementing Council's policy agenda and the Mayor's commitment to a prosperous, inclusive city that is safe, economically strong, clean and green, transit friendly, creative and a place where everyone has a chance to succeed. This budget maintains service levels needed by residents and businesses. As has been the case in prior years, on average, more than 60% of property tax revenue is earmarked to pay for police, fire and emergency medical services, transit, garbage collection and recycling, libraries, parks and roads – services that impact the quality of life of residents.

How 2007 Tax Dollars Will Be Spent

To finance the 2007 Approved Operating Budget, Council approved a tax levy of \$3.221 billion. This translates into a municipal property tax bill of \$2,174.60 on the average house with an assessment value of \$369,300. In effect, this represents an increase of \$81.19 over 2006. As shown in Chart 1, 24% or \$531.52 of the taxes paid by a taxpayer with an average house would be used to pay for Police Service, while \$265.99 or 12% would pay for debt charges.



Fiscal Challenges

As a result of ongoing fiscal challenges, the City has been relying on non-recurring or one-time revenue sources to balance its budget. This practice has culminated in a significant and untenable \$273 million revenue shortfall for 2007. On the expenditure side, uncontrollable costs such as inflation, debt service charges and other expenditures just to maintain services approved in 2006 amounted to \$275 million. Together, the impact of non-recurring one-time revenues, the cost of maintaining the existing services and service levels, along with moderate investments in new and enhanced services resulted in a budget pressure of \$562 million (see Table 1).

Table 1
2007 Operating Budget Starting Pressure

	<u>\$ Million</u>
2007 Operational Impacts	
COLA & Merit	120
Inflation – materials and services	27
Debt Service Charges	70
Prior Year Impacts and Other Base Changes	<u>58</u>
	<u>275</u>
City/Hydro One-time Funds	
Unsustainable 2006 Reserve Draws	160
Toronto Hydro Revenues	<u>113</u>
	<u>273</u>
Total Base Pressure	548
New and Enhanced Services	<u>14</u>
Total Pressure	<u>562</u>

A major contributor to the City's fiscal challenges is the continuing redirection of property tax revenue to fund provincially mandated services. In 2007 alone, the City will divert \$175 million from its already scarce property tax revenues to pay for the provincial costs for the Ontario Disability Support Program (ODSP) and the Ontario Disability Benefits (ODB) program. Under-funded provincially mandated services which will be paid for from property tax revenues total \$127 million due to the Province of Ontario unilaterally capping its share of the cost of social services. The cost of social housing approximates an additional \$329 million to City taxpayers. The Province has transferred a burden (exclusive of GTA pooling) of well over \$500 million onto the City's property tax revenue base. This practice of re-directing property tax revenues to fund provincially mandated, income redistribution programs has depleted the scarce recurring resources available to deliver core municipal services, thereby putting the City of Toronto into a structural deficit position.

Independent studies by the Conference Board of Canada and the Toronto Board of Trade separately confirmed that the City has a structural deficit problem, which approximates \$1.1 billion per annum. As indicated above, a significant contributor to this unsustainable fiscal problem is the imbalance between the cost of downloaded provincially mandated programs and provincial funding. This was confirmed in a 2001 audit report wherein the Provincial Auditor of Ontario concluded that evidence indicated that the Province "did not ensure the ongoing revenue neutrality" of the downloaded programs, "either as a whole or for individual municipalities, and that this problem had been growing over time." It is noted that the

Province has not acted to entirely resolve the revenue neutrality issues raised in the audit report, thereby prolonging the downloaded budget pressure on the City of Toronto.

Other contributors to the structural deficit include stagnant non-tax revenues, unpredictable assistance from the Province and the City's (already under-funded) reserves and assessment growth which is consistently less than the rate of inflation. Assessment growth is only 0.5% increase in 2007.

Given the above fiscal challenges, the Mayor's 2007 Operating Budget Directions and Guidelines on behalf of the City's Executive Committee (EC) emphasized fiscal constraint, maximization of efficiencies and cost containment measures. The Executive Committee directed that spending should be focused on maintaining core services approved in 2006 and on services that are aligned to the Mayor's mandate and Council's policy agenda, to increase user fees while protecting access for the most vulnerable and to consider service reductions. In addition, a target of zero percent increase over the 2006 Net (Tax Levy) Budget was approved for 2007 and 2008. Further, the Executive Committee directed staff and the Budget Committee to bring forward a balanced operating budget that begins the process of fixing the structural deficit problem within the next four years. These budgetary directions and guidelines complemented the City's ongoing continuous improvement program, program reviews, performance measurement and benchmarking against other organizations, as well as service and efficiency reviews.

Table 2
2007 Approved Operating Budget

	2006 Budget \$Millions	2007 Budget		Change from 2006 (Unfavourable)	
		\$Millions	%	\$Millions	%
2007 Approved Budget (gross)	7,606.8	7,797.4	100.0	190.6	2.5
<i>Less:</i>					
User Fees and Charges	(1,176.1)	(1,204.7)	15.5	28.6	2.4
Provincial and Federal Grants and Subsidies	(1,893.0)	(1,943.6)	24.9	50.6	2.7
Reserves and Reserve Funds	(424.1)	(434.2)	5.6	10.1	2.4
Other Non-tax Revenues	(981.7)	(994.2)	12.8	12.5	1.3
2007 Approved (Net) Levy Budget	(3,131.9)	(3,220.7)	41.3	88.8	2.8

The 2007 Approved Operating Budget is summarized in Table 2. As shown in the table, the 2007 Expenditure Budget of \$7.797 billion represents a \$190.611 million or 2.5% increase over 2006. Primarily, User Fees and Charges of \$1.205 billion, Provincial and Federal Grants and Subsidies of \$1.944 billion, and Property Taxes of \$3.221 billion (with the latter representing 41% of total revenues) fund this budget.

Included in the 2007 Property Tax Revenue is assessment growth of \$16.214 million, and property tax increases of \$72.618 million, generated from a 3.8% or \$49.114 million increase on residential properties and a 1.267% or \$23.504 million increase on commercial, industrial and multi-residential properties. These tax rate increases are consistent with the Executive Committee's direction to keep any property tax increase generally in line with the City of Toronto rate of inflation. Including assessment growth and recommended tax increases, the 2007 Levy (Net) Budget is \$3.221 billion, representing an increase of \$88.832 million or 2.8% increase over the 2006 property tax base.

How the 2007 Operating Budget was Balanced

The City Manager (CM) and Deputy City Manager & Chief Financial Officer (DCM & CFO) conducted an intensive and exhaustive review to confirm compliance with Council priorities, budget policies, directions and guidelines. As part of this review, the Financial Planning Division (FPD) first analyzed City Program and Agencies, Boards and Commissions (ABCs) submissions to establish that base services were maintained. FPD performed and verified efficiency reviews, evaluated performance outcomes and metrics in relation to resource requests, and in general determined the extent to which costs were contained. The review also verified that user fee revenues were maximized and new funding requests were justified. FPD findings were reported to the CM and DCM & CFO for consideration during their review of the budget.

The CM and DCM & CFO's budget review focused on four broad categories primarily because of unique factors associated with each of them: Provincially Mandated Services, Transit, Emergency Services and Municipal Services. The degree of control and the service mandate were principal factors influencing this approach. The CM and DCM & CFO review required each City Program and ABC to justify their budget submissions by describing the strategies used to achieve the net zero percent increase guideline. Further, each City Program and ABC discussed the relevance of their service goals and objectives, how these goals and objectives are linked to Council's priorities, actual performance and accomplishments in 2006 as well as benchmarking results and progress made on program review along with potential opportunities for more efficient service delivery emanating from these reviews.

As a result of this review, further service delivery efficiencies and other cost saving measures totalling \$85 million were achieved. This is especially significant since City Programs and ABCs had already incorporated significant cost containment measures in developing their budget submissions.

Despite protracted reviews and successes in cost containment, many City Programs and ABCs were not able to achieve the zero net budget target without cutting services and service levels essential to preserve the well being of the citizens of Toronto, and to achieve the Mayor and Council's priorities. In some cases, non-tax revenue stagnation or reduction resulted in increased net budgets. For example, while Municipal Licensing Services managed to contain its 2007 gross expenditures to a change of 0.1% (from \$33.61 million in 2006 to \$33.635 million in 2007), 2007 net expenditures increased by 18.1% due to reduced non-tax revenues.

As indicated earlier, the 2007 Base Budget starting pressure was \$548 million. The Budget Committee recommended moderate investment in new and enhanced City Building initiatives that fulfill Council and the Mayor's priorities totalling \$51.183 million gross and \$14.363 million net. As a result, the budget pressure was increased to \$562 million.

Table 3 shows how the budget was balanced. Firstly, savings resulting from efficiency reviews, service and service level adjustments, and other cost control initiatives totalling \$85 million were used to reduce the budget pressure. The Executive Committee directed that Hydro Revenues of \$106 million, which in accordance with Council approved policy had been earmarked for funding capital expenditures, be utilized once again in the operating budget. Also, \$80 million of social services reserve funds were utilized realizing a total of \$271 million of reserve adjustments and savings. Further reserves draws used to balance the 2007

budget pressures are illustrated in Table 3 and comprised of \$131.3 million from the Capital Financing Reserve and a total of \$71 million from an assortment of discretionary reserves. The City cannot continue to absorb budget pressures driven by provincial funding shortfalls for downloaded provincial services, and the Province not honouring legislated cost sharing formulae for social services programs.

Table 3
Budget Pressure Reduction Strategy

	<u>\$Millions</u>
Starting Pressure	562
Less:	
Base Budget Efficiencies/Savings	(85)
Hydro Revenues	(106)
Reserve Draws – Cost Shared Programs	<u>(80)</u>
	<u>(271)</u>
	291
Financial Decisions:	
Assessment Growth	(16)
Additional Reserve Draws:	
* Capital Financing Reserve	(131)
Offset of Provincial Legislated Social Services Shortfall:	
* Land Acquisition Reserve Fund	(33)
* City Parking Reserve Fund	(5)
* Social Services Stabilization reserve Fund	(3)
* Move Ontario Trust	<u>(30)</u>
	<u>(71)</u>
	73
Additional City Policy Option:	
Tax Increases – 3.8% residential; 1.267% non-residential	<u>(73)</u>
	0

While the City's 2007 financial burden resulting from downloaded provincially mandated programs exceeds \$500 million, the Province was asked to begin the process of paying its bills in full. Specifically, the City requested that the Province pay for the 2007 funding deficit of \$71.4 million resulting from unilateral provincial 'capping' of Ontario Works – Cost of Administration (\$29.3 million), Shelter Per Diem (\$29.1 million) and Child Care services which was not indexed to inflation and has been frozen at levels established in 1995 (\$13 million). Unfortunately, the Province was not forthcoming and did not remedy this revenue inequity; thereby forcing the City to drain its reserves to balance the 2007 Operating Budget.

Fixing the Structural Deficit

Even with the substantive cost controls implemented since amalgamation, there is limited opportunity for the City of Toronto to solve what has now become a significant structural deficit problem without cutting services and/or service levels, or finding new sustainable revenue sources. The information in Table 4 confirms that the City has controlled its costs.

Table 4
2007 Gross Expenditure Budget

(\$000s)	2006 Budget	2007 Base Budget	Change from 2006		New/ Enhanced	2007 Total Budget	Change from 2006	
			Over/(Under)	%			Over/(Under)	%
			\$	%			\$	%
Citizen Centred Services "A"	2,856,823	2,831,634	(25,189)	-0.9%	17,701	2,849,335	(7,488)	(0.3%)
Citizen Centred Services "B"	1,018,355	1,037,770	19,415	1.9%	4,999	1,042,769	24,414	2.4%
Internal Services	286,293	295,082	8,790	3.1%	4,856	299,938	13,645	4.8%
City Manager	39,519	39,591	73	0.2%	0	39,591	73	0.2%
Other City Programs	98,724	97,485	(1,239)	-1.3%	721	98,206	(518)	(0.5%)
Council Appointed Programs	3,881	3,988	107	2.8%	241	4,229	348	9.0%
Total City Operations	4,303,594	4,305,550	1,956	0.0%	28,518	4,334,068	30,474	0.7%
Agencies, Boards and Commissions	2,432,363	2,518,306	85,943	3.5%	13,836	2,532,142	99,779	4.1%
Corporate Accounts	870,792	922,321	51,529	5.9%	8,829	931,150	60,358	6.9%
Total Levy Operating Budget	7,606,748	7,746,177	139,428	1.8%	51,183	7,797,360	190,611	2.5%

As evident in Table 4, expenditures for City Operations increased by only 0.7%, well below the rate of inflation. Overall, the 2007 Operating Budget increased by 2.5%, driven mostly by Agencies, Boards and Commissions (4.1%) over which the City has limited control, and by Corporate Accounts (6.9%) which mainly attributes to increased debt service charges.

Why is the City's budget pressure so significant? For the most part, it is because of the composition of the City's recurring revenues, which do not grow with the economy. More specifically:

- Non-tax revenues are generally stagnant. A significant proportion of the City's user fees and charges lag behind inflation either for policy reasons, or because of market consideration. On user fee revenues of approximately \$400 million (excluding Toronto Transit Commission) the City will realize increased revenues due to price increases of only \$4 million or 1% in 2007. This is well below the rate of inflation, despite best efforts to achieve the objective of ensuring that user fees are priced to recover the full cost of the relevant user fee.
- Assessment growth is quite minimal, approximating \$16 million in 2007. This represents 0.5% increase on the 2006 tax base of \$3.132 billion, again, well below the rate of inflation.
- Provincial under-funding of its mandated services is a principal cause of the structural deficit. As has already been discussed, the Provincial Auditor of Ontario has confirmed that downloaded provincial programs have not been revenue neutral. In fact, under-funded provincially mandated programs have contributed well over \$500 million to the City's annual fiscal problems. Yet, the Province has not been forthcoming with a commitment to fully pay its bills.

The City's continuous improvement, program reviews, service reviews and aggressive efficiency reviews were instrumental in assuring that the goal of managing controllable expenditures is achieved and that the right services are delivered for the best value. This has been demonstrated in this budget wherein City Operations kept its base expenditure budget increase at 0.05%.

Fixing the structural deficit will require implementation of one or more of the following strategies:

1. The Province of Ontario must *upload the cost of its social services that*, because of their significant draw on municipal property tax revenue, are the main cause of the City's structural deficit. This is likely to worsen, given that the social services reserves (which have been utilized to mitigate provincially downloaded programs budget pressure) have been depleted. Unfortunately, the 2007-2008 Provincial Budget did not address this problem; it included neither promise nor commitment to upload the cost of provincially mandated social services programs.
2. *New revenues that grow with economic activity* such as sales taxes and excise taxes. A sustainable share of the Goods and Services Tax (GST), for instance, would provide a predictable source of growth revenues that would reduce the demand for temporary or one-time funding to enable the city to provide the core municipal services that its citizens demand.
3. *Creation of a National Transit Strategy* would be useful in rationalizing the transit infrastructure and funding needs. To some degree, this strategy should influence the federal and provincial governments to recognize the economic and environmental value of public transit, and the need for them to share more equitably in the cost of providing transit services and investing in their growth.
4. *New taxation measures* under the authority granted by the City of Toronto Act (COTA). It is noted that COTA revenues should be targeted toward City building for core municipal services such as roads, parks, garbage collection and culture, and therefore would be only minimally available to address the existing structural deficit problem.

The above measures are urgent if the City must achieve Council's priorities and should continue to remain the economic engine of the Province of Ontario and Canada. Fixing the revenue deficit problem is necessary in the short-term to prevent the City from cutting core municipal services that are required for the health, safety and lasting economic well being of the citizens of Toronto. Too much of the property tax revenue is being diverted to social programs at the expense of improvement and growth in municipal services that the citizens of Toronto demand.

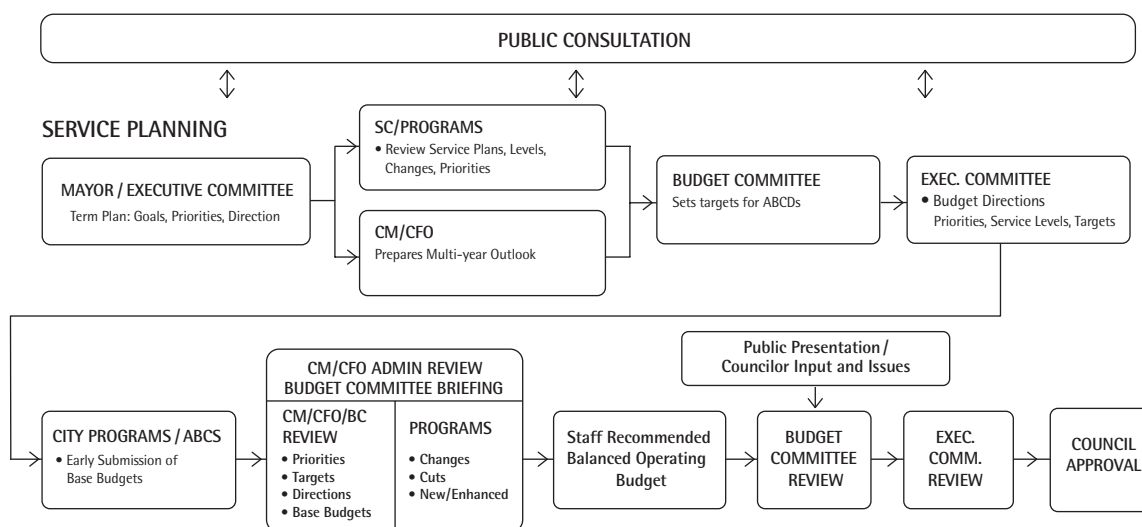
2007 OPERATING BUDGET PROCESS

The City of Toronto introduced a new governance model in 2006, which provided opportunities to improve fiscal management, and strategic planning by ensuring that financial planning and budgetary decision making is fully aligned with the Mayor and Council's vision and priorities. Toward this goal, Executive Committee in its strategic policy role reaffirmed the overall vision for the next term of Council.

The City's budget process was designed to ensure that scarce resources are utilized in a manner that produces results in a responsible and measurable way. Beginning in 2007, the City's operating and capital budgets will represent strategic financial plans that set the framework for fulfilling Council's goals and priorities.

Chart 2 outlines the City of Toronto's mature budget process. Because of time constraints resulting from the 2006 Election, the 2007 Budget process was transitional. It excluded upfront review of services and service levels (an essential best budget practice). As discussed below, to get back to the City's mature budget process, service and service level reviews will be introduced in 2008.

Chart 2
City of Toronto Budget Process



Key elements of the 2007 Budget process included the following:

- On behalf of the Executive Committee, the Mayor gave staff upfront directions to bring forward a balanced operating budget to fulfill Council's strategic policy agenda by aligning resources to priorities that is based on sound financial management principles, and to meet budgetary targets.
- Prior to finalizing the recommended budget, the Budget Committee undertook detailed reviews of individual City Program and ABC budgets to ensure that Executive Committee's directions were met.
- The Budget Committee, on behalf of the Executive Committee, held formal meetings to receive public presentations/hearings and input from Councillors on matters and issues of interest and, where warranted, made changes to the staff recommended budget.
- The Budget Committee recommended a balanced budget to the Executive Committee. This budget reflects the strategic alignment of resources to Council priorities, highlights expected results and outcomes and confirms financial strategies.
- The Executive Committee's review of the budget focused on major fiscal and policy issues and to confirm the budget as a strategic financial plan that will implement Council policies and priorities.
- On behalf of the Executive Committee, the Mayor presented the 2007 Operating Budget to Council.

In 2008, the role of the Standing Committees established in the mature budget process will be reinstated. As well, public consultation will be held upfront to ensure that priorities reflect the needs and expectation of the citizens of Toronto.

Work to establish 2008 service priorities and financial targets will begin early in 2007. Guided by the Mayor's mandate, and Council's policy agenda, Standing Committees will, in the spring of 2007, review City Program and ABC service plans, assess service issues and outcomes to determine or reconfirm service priorities, and service levels that will be recommended to Executive Committee in advance of the 2008 budget process.

Directions and Guidelines

Given the overall fiscal challenges, the 2007 Operating Budget directions and guidelines emphasized fiscal constraint, maximization of efficiencies and cost containment measures. Staff was directed to focus spending on maintaining core services approved in 2006 and on services that are aligned to the Mayor's mandate and Council's policy agenda, increase user fees while protecting access for the most vulnerable and consider service reductions. In addition, a target of zero percent increase over the 2006 Net (Tax Levy) Budget was approved for 2007 and 2008. Further, the Executive Committee directed staff and the Budget Committee to bring forward a balanced operating budget that begins the process of fixing the structural deficit problem within the next four years. These budgetary directions and guidelines complemented the City's ongoing continuous improvement program, program reviews, performance measurement and benchmarking against other organizations, as well as service and efficiency reviews.

On behalf of the Executive Committee, the Mayor provided budget guidelines that prescribed that the 2007 budget must focus on delivering the services that meet the expectations of our citizens, and build on progress made during the last term of Council. Further, the Mayor recognized the fact that since amalgamation, the City has been struggling with a structural fiscal deficit that continues to challenge its ability to provide the municipal services that citizens need and value. To address this fiscal challenge, staff and Budget Committee were directed to ensure that the 2007 Operating Budget begins the strategic process of balancing short-term needs against long-term objectives in a fiscally sustainable way. They were also directed to ensure that the 2007 Budget sets the framework for implementing the goals and priorities established for this term of Council and the City's commitment to a prosperous, inclusive city that is safe, economically strong, clean and green, transit friendly, creative and a place where everyone has a chance to succeed.

Guidelines for developing the 2007 Operating Budget included the following:

- The 2007 Operating Base Budget target be set at a zero net increase over the previous year for all City Programs, Agencies, Boards and Commissions.
- To achieve further service delivery efficiencies, the continuous improvement initiative be expanded to include program reviews and service rationalization.
- Services and service levels that are aligned to the Mayor's mandate for this term of Council must be protected.
- Only investments in new and enhanced service that deliver on the Mayor's mandate will be considered.
- Provincial cost-shared programs must not be funded from the property tax base; for 2007, Ontario Disability Support Payments (ODSP) and Ontario Drug Benefit (ODB) cost must be funded from the provincial income tax base.
- Given the significant structural deficit, the following measures be considered in order to protect City services in 2007:
 - > use Toronto Hydro Revenues (dividends and interest earnings) as a revenue source

- > use reserve and reserve funds to balance the 2007 Operating Budget
- that the residential property tax increase be generally in line with the City's rate of inflation

These budget guidelines aimed at ensuring that scarce resources are utilized to produce results in a responsible and measurable way. On behalf of the Executive Committee, the Mayor directed that the 2007 Operating Budget become a strategic financial plan that sets the framework for fulfilling Council's long-term goals and priorities. In conclusion, to alleviate the fiscal challenges associated with the inherited structural deficit, the Executive Committee's directions and guidelines reiterated the need to make hard decisions to get the City back on a sound fiscal footing and to provide the citizens of Toronto with the services they require and deserve.

Operating Budget Policies

Annual Operating Budget – In compliance with the City of Toronto Act, 2006, City Council will adopt an operating budget in each year. The operating budget will include: estimates of all sums required during the year to pay for all debt falling due during that year; amounts required for sinking funds or retirement funds; and amounts required for agencies, boards and commissions.

Balanced Budget – The operating budget approved by Council in any given year must be balanced; which means that estimated revenues must be equal or in excess of estimated expenditures. Any in-year increase in operating expenditures or decrease in revenues that could result in a budget imbalance will require Council approval of appropriate budget revisions to ensure that the budget remains balanced.

Diversified Revenue Sources – Diversified and stable revenue sources will be encouraged in order to protect against short-term revenue fluctuations and uncertainty. Individual revenue sources have differing characteristics in terms of stability, growth, sensitivity to inflation, business cycle effects and impact on tax and ratepayers. A diversity of revenue sources should be considered in order to improve the city's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services.

One-Time Revenues – Use of one time revenues to fund ongoing expenditures should be restricted to extraordinary situations, which must be approved by Council on a case-by-case basis. One-time revenues should be more appropriately used for purposes such as early debt retirement, capital expenditures, and one-time expenditures.

User Fees and Charges – Where it is determined that a service provided by a City Program, Agency, Board or Commission confers a direct or special benefit to an individual, identifiable group or business, a user fee will be imposed to recover the cost of providing the service. User fees will be set to recover the full cost of providing related services. Exceptions to this include: instances where full cost recovery conflicts with a City's policy objective on community access to services, promotion of specified goals or regulatory practices; the cost of collecting specific user fees is not efficient or constitute a significant portion of the user fee revenue for the service; or other conditions exist that would justify the exception.

User fees should be reviewed and where warranted, adjusted annually as part of the budget process in order to determine the impact of inflation and other cost factors on the adequacy of the user fee to recover the full cost of the respective services, and to adjust the fee where appropriate.

Surplus Management – Any Operating Surplus realized by the City at year-end will be disposed of in priority order to (i) the Capital Financing Reserve Fund (at least 75% of the additional surplus); and (ii) to fund any under-funded liabilities, and/or reserves/reserve funds.

Budget Development – Consistent with prior years, the starting assumption for developing the 2007 Operating Budget was that services and service levels approved in 2006 would be maintained wherever possible. To estimate the cost of maintaining these services and service levels, the 2006 Approved Budget was adjusted to annualize part-year 2006 funding for Council service changes and reverse 2006 one-time expenditures and revenues. Next, the annualized base budget was adjusted for inflation. This exercise resulted in establishing the 2007 cost of continuing to provide the approved 2006 services and service levels.

The 2007 City Manager and Deputy City Manager & Chief Financial Officer's (CM and DCM & CFO) operating budget instructions required City Programs and ABCs to submit as separate budget packages, requests for any additional funding to maintain approved base services and service levels, as well as for new services and/or service enhancement initiatives. Further, the instructions required Programs and ABCs to clearly detail the service levels that would be provided with the resources requested, to demonstrate the intended outcomes and to link the resources requested with performance indicators and results. The 2007 Budget process, therefore, required information to support decision about base level services and sound justification for any change to the base, as well as for any proposed investment in new and enhanced services.

The inflation adjusted base budget was reviewed to remove inefficiencies, to incorporate continuous improvement initiatives and best service delivery practices. Driven by the administrative commitment to control cost and the guideline to achieve a zero net expenditure increase over 2006, senior staff of City Program and ABCs were directed to demonstrate to the CM and DCM & CFO that they had explored every opportunity to develop responsible and prudent operating budgets that related performance measures with resource requests, and achieved the Executive Committee directions and guidelines.

Inflation/Economic Factors

The City consumes a wide range of commodities with varying inflationary impacts to provide its services. Therefore, a single rate of inflation cannot be applied to all commodities consumed by the City. For instance, the cost of living allowance (COLA) is set at a rate that is approximately 70% higher than the general rate of inflation; some contract prices are fixed for their duration, while others may have pre-established cost schedules that may not require adjustments greater than inflation until renewal. As well, some goods and services are more volatile than others, as has been the case with gas and oil products during the past two years. As a result, the City uses a commodity specific price schedule that is more reflective of the behaviour of specific items on which it spends substantive amounts.

Table 5 lists the commodity specific inflation rates utilized to develop the 2007 Operating Budget. These economic factors will continue to be reviewed and any significant changes that warrant in-year adjustments will be reported in the 2007 quarterly variance reports. In accordance with the City's strategy to closely monitor spending on furniture and consulting costs, these expenditures were zero-based.

Table 5
Economic Factors

<u>Expenditure</u>	<u>Economic Factor</u>
Printing & Paper Products	2.50%
Food	2.10%
Hydro	9.70%
Gas	98 cents
Diesel – TTC	86 cents
Diesel – Other	90 cents
Natural Gas	0.00%
Steam Heating	0.00%
Water	9.00%
Postage	2.00%
Telephone	0.00%
Salt (City Contract)	5.00%
Medical Supplies	3.00%
General	1.90%

2007 Approved Gross Operating Budget

Table 6 shows the 2007 Operating Budget by Category. Salaries and benefits of \$3.760 billion constitute the largest expenditure component, approximating 48% of the gross expenditure budget. Salaries and benefits increased by \$155.6 million or 4.3% over 2006. The major funding sources for 2007 operating expenditures are property tax revenues, user fees and provincial and federal grants and subsidies. Note that there was virtually no growth in non-tax revenues.

As indicated in Table 6, the 2007 Approved Operating Budget (gross) increased by 2.5% over 2006. Most of the budget increase is attributed to Agencies, Boards, Commissions and Non Program budgets. City Operations expenditures increased by 0.7%, compared to 4.1% for ABCs and 6.9% in Non-Program Accounts.

Table 6
2007 Operating Budget – by Category

	2006 Budget	2007 Approved Budget		Change from 2006 Budget	
		\$	%	\$	%
Salaries and Benefits	3,604.6	3,760.2	48.2	155.6	4.3
Materials and Supplies	432.9	448.7	5.8	15.8	3.6
Equipment	44.9	43.2	0.6	(1.7)	(3.8)
Services and Rents	1,130.7	1,094.3	14.0	(36.4)	(3.2)
Contribution and Transfers	2,131.1	2,194.5	28.1	63.4	3.0
Other (Includes IDCs)	262.6	256.5	3.3	(6.1)	(2.3)
Total Gross Expenditures	7,606.8	7,797.4	100.0	190.6	2.5

Funded By:					
Provincial and Federal Grants and Subsidies	1,893.0	1,872.6	24.0	(20.4)	(1.1)
User Fees	1,176.1	1,206.8	15.5	30.7	2.6
Reserves/Reserve Funds	424.1	471.5	6.0	47.4	11.2
Other (Includes IDRs)	981.7	1,025.8	13.2	44.1	4.5
Total Non-tax Revenues	4,474.9	4,576.7	58.7	101.8	2.3
Net Budget	3,131.9	3,220.7	41.3	88.8	2.8

The increase in City Operations is primarily driven by the following programs:

- Social Services (\$33.849 million gross or 3.3% increase): this is due to a legislated 2% rate increase for Ontario Works clients totalling \$2.7 million; higher ODSP and ODB costs of \$7.0 million; and, COLA, merit and step increase of \$6.1 million.
- Parks, Forestry and Recreation Services (\$14.743 million gross or 5.1% increase): the increase is due to collective agreement demands and other non-discretionary expenditures totalling \$12.5 million. These are partially offset by efficiencies of \$5.4 million and fee revenue increases of \$1.1 million.
- Fire Services (\$9.364 million gross or 2.8% increase): this is due to annualized costs for 2006 approvals, merit and step increases, COLA and inflation.
- Solid Waste Management Services (\$8.947 million gross or 3.9% increase): this is due to merit and step increases, union settlements and wage increases for exempt staff, non-salary inflationary increases, conversion of waste tonnage from disposal to higher diversion processing costs, and higher fuel and maintenance costs for the Solid Waste Management Services fleet.

The expenditure increase in the collective budgets of the City's Agencies, Boards and Commissions was primarily for Toronto Police Service, TTC, Toronto Public Library and Exhibition Place. Of the \$190.611 million total expenditure increase, 52% or \$99.779 million is attributed to ABCs compared to 16% for City Operations. The major contributors to the ABC increase are as follows:

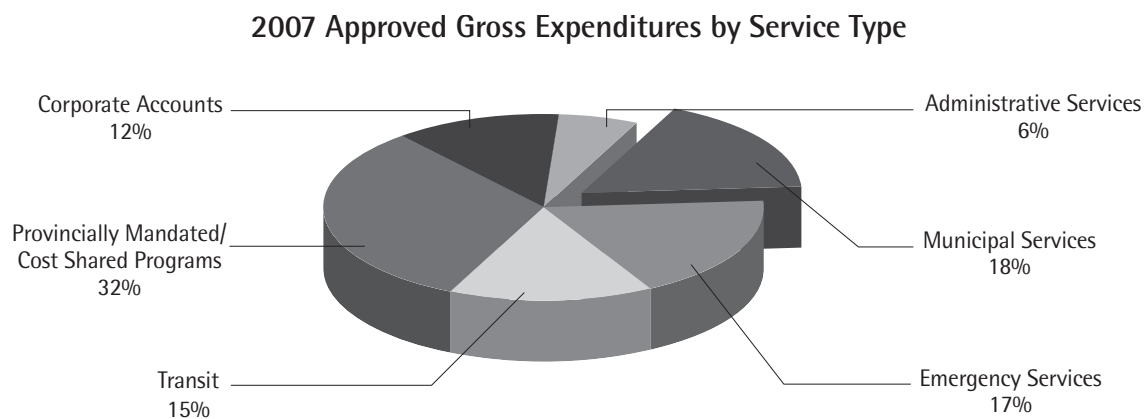
- Toronto Public Library (\$5.775 million or 3.6% increase): primarily due to COLA, merit, step and fringe benefit increases totalling \$4.943 million; 2% increase for Library materials of \$0.331 million; other inflationary increases including utilities of \$0.528 million and operating impacts of capital projects such as costs from the Integrated Library System and Virtual Branch Services of \$0.2 million.
- Exhibition Place increase of \$6.151 million or 13% is due to salary and wage increases prescribed by collective agreements; increased utility costs; and increased contribution to the vehicle replacement reserve.
- Toronto Transit Commission (TTC): Conventional Services increase of \$44.902 million or 4.3% is attributed to annualized labour costs from the TTC's 2005 collective agreement and higher energy costs due to price increases in vehicle fuel, utilities and hydro. For the overall service budget, key cost drivers include the incremental cost of fully implementing the 2005 approved initiatives of the TTC's Ridership Growth Strategy to purchase and operate 100 new buses and to house them in the new Mount Dennis facility.
- TTC: Wheel Trans increase of \$5.762 million or 9.1% is primarily due to a 7.8% increase in trip demand to maintain a 2% unaccommodated rate and COLA.
- Toronto Police Service increase of \$33.272 million or 4.2% is attributed to annualized cost of 250 uniformed officers hired in 2006; uniformed and civilian salary settlement adjustments; and 90 new court security officers for 15 new Provincial courtrooms opening in 2007.

Corporate Accounts' expenditures increased by \$60.358 million representing 32% of the total 2007 Approved Gross Operating Budget change over 2006. Debt service charges were the principal cause of this increase. Debt service charges increased by \$69.61 million or 14.6% reflecting the annualized debt repayment of the 2006 Approved Capital Budget. This increase was partially offset by a decrease in Tax Deficiency Write-off expenses.

Where the 2007 Budget is Spent

Chart 3 shows that only 18% of the 2007 Operating Budget is allocated to municipal services. Provincially Mandated Programs represent approximately one-third of the budget, which confirms that much of the City's resources is diverted from core municipal services. Together, Transit and Emergency Services account for another 32% of the City's total expenditure budget. This pattern is consistent with prior years. Going back to 1998, Transit, Emergency Services, and Provincially Mandated Programs have approximated 70% of the City's expenditures.

Chart 3



2007 Approved Operating Budget

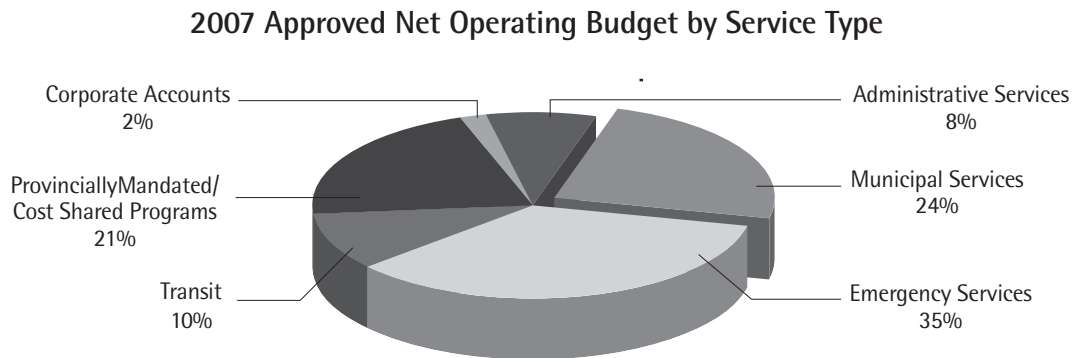
After applying non-tax revenues including provincial and federal subsidies, user fees and reserve draws, the remaining gross operating budget is funded by property taxes (herein referred to as the net budget). The 2007 Approved Net Operating Budget is \$3.221 billion, representing an increase of \$88.832 million or 2.8% over 2006.

As a proportion of the gross operating budget, the net budget has declined consistently from a high of 46% in 1999 to 41% in 2007. This reflects the fact that the City has had to rely increasingly on non-tax revenues to fund operating budget increases. In particular, it has had to draw on reserves to fund the growing gap in recurring revenues.

Chart 4 illustrates where the 2007 Approved Net Operating Budget will be spent. As indicated in the Chart, 24% of the net budget is committed to Municipal Services, compared to 35% to Emergency Services. Approximately one quarter of the net budget is allocated to Toronto Police Service. Note that 21% of the

net budget is allocated to fund provincially mandated programs. In effect, two-thirds of the 2007 property tax levy will be spent on Provincially Mandated Programs, Transit and Emergency Services. The Emergency Services, TTC and Provincially Mandated Programs continue to be the greatest pressures on the City's tax base.

Chart 4



Toronto Police Service and TTC's 2007 Net Operating Budgets increased by \$32.583 and \$31.041 million, respectively. Together, these ABCs' net budget increases total \$57.728 million and account for 65% of the approved tax increase of \$88.832 million.

2007 Approved Operating Budget – Approved Positions

In accordance with the City's Financial Policies, all approved positions are accounted for and tracked in the Operating Budget. In total 50,184.6 approved positions are recommended for the year 2007, representing an increase of 738.1 positions or 1.5%. Of the total, 1,851.6 positions are fully dedicated to the Capital Program. Approved positions to deliver City services and service levels total 48,333.0 of which 46,251.3 are for delivery of property tax levy supported Programs, and 2,081.7 for rate supported programs.

As shown in Table 7, approved positions for tax supported programs reflect an increase of 526.6 positions or 1.2%. The approved position increase for City Operations is 117.2 of which 111.1 or 95% is attributed to Citizen Centred Services "A". Position increases in Citizen Centred Services "A" are mainly in Parks, Forestry & Recreation for the second phase of the After-School Recreation and Child Care Program, the initial roll-out of the Program's Safety and Security Plan, continuing the Toronto Urban Farm initiative, cleaning up ravines/watercourses and instituting a Park Ranger Program as well as maintaining Toronto's beaches and waterfront, implementing the 'Investing in Families' program maintaining the City's natural environment areas and funding the operating impacts of capital projects. Citizen Centred Services "B's" approved positions include a net decrease of 20.1 positions primarily in Solid Waste Management Services.

Table 7
2007 Tax levy Operations Approved Positions
 (Operating Budget Positions Only)

City Program/ABCs	2006 Approved Positions	2007 Approved Positions	Change from 2006	% Change from 2006
Citizen Centred Services "A"	11,651.8	11,762.9	111.1	1.0
Citizen Centred Services "B"	7,343.5	7,323.4	(20.1)	(0.3)
Internal Services	2,135.4	2,159.6	24.2	1.1
City Manager's Office & Other City Programs	1,252.5	1,254.5	2.0	0.2
Total City Operations	22,383.2	22,500.4	117.2	0.5
Agencies, Boards & Commissions	23,341.5	23,750.9	409.4	1.8
Total Levy Operations	45,724.7	46,251.3	526.6	1.2
Rate Supported Operations	2,076.1	2,081.7	5.6	0.3
Total Positions*	47,800.8	48,333.0	532.2	1.1

*Note that 1,851.6 positions dedicated to the Capital Program are not included in this Table.

Overall, approved positions for ABCs reflect an increase of 409.4 positions or 1.8% compared to 2006. This approximates 77% of the total increase of 532.2 positions. Increase in approved positions for the ABCs is mainly attributed to the following:

- Toronto Transit Commission (TTC): increase of 395 positions primarily to support ridership growth levels; operation of 100 new buses and opening of the Mount Dennis Bus Garage.
- Toronto Police Service: increase of 125 positions, of which 90 are due to increased Court Security Officer positions for 15 new Provincial courtrooms to comply with mandatory Provincial requirements.
- Toronto Public Health: decrease of 169.5 positions primarily due to the 5% cap of growth funding for mandatory cost-shared programs in the area of new/enhanced services that were approved in 2006.

In total, Council approved a complement of 48,333.0 positions to deliver services and service levels in the 2007 Operating Budget. This complement level represents an increase of 532.2 or 1.1% over the 2006 approved complement of 47,800.8 positions. A briefing note that discusses approved position changes incorporated in the 2007 Operating Budget is available on the City's website at www.toronto.ca/budget2007/briefingnotes_operating.

User Fees and Charges – Revenue Impact of Price Changes

The City of Toronto Act 2006 empowers the City to impose user fees and charges, and to increase the price of such fees and charges in order to recover the cost of services. While a significant number of fees and charges have already been approved by City Council through the Planning Act, the Building Code and other specific City by-laws, several are being introduced in, or were referred to the 2007 Budget process.

Table 8 summarizes the reasons for user fee adjustments, and the resultant incremental revenue estimates to be generated in 2007. These price changes were required in order to achieve full cost recovery in accordance with Council's direction, to adjust for inflation, policy objectives, and service comparison with other suppliers. In most cases, the fees were increased by the rate of inflation.

Table 8
2007 Levy Operations User Fees and Charges
 Incremental Revenue Impact of Price Change

Program	Reason for Price Change	2007 Estimated Revenue Increase (\$Million)
Parks, Forestry and Recreation	Inflation, Cost Of Living, cost recovery	1.113
Emergency Medical Services	Cost recovery	0.063
Solid Waste Management Services	Inflation	0.010
City Planning	Inflation, Cost Of Living	0.707
Toronto Building	Cost Of Living	0.761
Municipal Licensing and Standards	Inflation	0.273
Transportation Services	Cost Of Living, full cost recovery, service fee comparison	0.181
Office of the Treasurer	Cost recovery	0.002
City Clerk's Office	Service fee Comparison	0.003
Toronto Public Health	Cost recovery	0.200
Exhibition Place	Service fee comparison	0.601
Theatres	Inflation	0.104
Total 2007 Incremental Revenues		4.019

The incremental revenues from increasing fees and charges are estimated at \$4.019 million. Increases in the majority of fees were based on the consumer price index and cost of living increases, such as recreation fees, building permits and zoning fees. However, a significant number of fees are being increased in order to achieve full cost recovery, for example, medical emergency services fees, golf fees, rifle range fees and Food Handler Training program fee. Exhibition Place admission and parking fee increases are primarily based on market comparison. New fees are recommended for Waterfront weekend parking and for Municipal Road Damage deposits.

Overall, 2007 budgeted revenues from user fees and charges total \$1.205 billion (inclusive of TTC). This represents an increase of \$28.6 million or 2.4%. User fee revenues generated from volume increases approximate \$24.7 million of this amount.

2007 HIGHLIGHTS

The 2007 Approved Operating Budget is a viable and prudent budget. It maintains core services, and demonstrates the City's commitment to delivering services that residents want in a cost effective manner. Though limited, this budget contains investments in key City building initiatives that are aligned with the Mayor's mandate and Council's policy agenda. The following highlights key services and initiatives included in the budget:

Public Safety

- City funding for Toronto's Joint Chemical, Biological, Radiological and Nuclear Response (CBRN) Team will continue for 2007 with a request to the federal government to fund the Emergency Preparedness Program (\$0.348 million).

- The annualized cost of 250 new police officers hired and trained in 2006 will be funded to provide a full complement of 5,510 officers in 2007 (\$7.6 million).
- Ninety new court officers will be hired to provide court security in 15 new provincial courtrooms to accommodate the provincially mandated security requirements for the new provincial courtrooms within the City of Toronto (\$3.53 million gross and net).
- Eight paramedics will be added to improve EMS response time to 70% from 68% (in 2006) within nine minutes.
- Forty-four additional red light cameras (\$1.202 million gross, \$2.539 revenue for a net of -\$1.337 million) will be added to the current 47 cameras which will improve the safety at intersections controlled by traffic signals. The existing red-light cameras have been successful in reducing right-angle collisions resulting in personal injury or death by 48%.
- Eleven new special constables to support the TTC's Subway Zone Patrol Strategy will be added for a total of 125 constables (\$0.45 million).

Transit and Transportation

- The appearance of roadway and roadside areas will be improved by Mechanical Weed Control on sidewalks and boulevard as a Clean & Beautiful City Initiative (\$0.125 million gross and net).
- TTC transit services for 18 million additional riders will be provided for a total of 454 million riders to be serviced in 2007 (\$7.9 million gross).
- One hundred additional buses and a new Mt. Dennis Bus Garage to be operational in 2007, in keeping with the TTC's Ridership Growth Strategy (\$3.3 million gross).
- Wheel-Trans specialized fully accessible transit services will be provided for 164,200 additional riders and a 2% unaccommodated rate will be maintained (\$4.2 million gross, \$3.953 million net).
- Four by-law officers will be hired to enforce front yard parking infractions (\$0.05 million gross and net) and funding will be derived from front yard parking fee revenue.
- Two roads inspectors will be hired to administer the new Municipal Road Damage By-law (\$0.08 million gross and \$0.019 million net).

Environment

- A comprehensive Western Waterfront Master Plan (new funding of \$0.200 million in 2007) will develop the area from Marilyn Bell Park to the Humber River.
- Beach and Waterfront Maintenance (\$0.47 million gross and net) will improve the cleanliness of Toronto's 20 public beaches.
- Tree Service Delays will be reduced from 10–12 months to six months (\$0.932 gross and net).
- Ravine and Watercourse Maintenance with a Park Ranger Program (\$0.795 million gross and net) will put teams into the ravines and natural areas to clean up debris and reduce illegal dumping.
- New tree plantings will be maintained in natural environment areas (\$1.147 million gross and net) to give new trees and shrubs the care they require.
- The Toronto Energy Plan will guide future energy demand management and conservation initiatives will be developed in 2007 (\$0.57 million gross, \$0 net).
- Ontario Power Authority will provide incentives to achieve, through demand response measures, 20 MW of energy savings (\$0.15 million gross, \$0 net).

- The Toronto Green Development Standard to encourage the use of environmentally friendly design construction to reduce energy and water consumption, storm water runoff and the urban heat island effects will be implemented in 2007 (new funding of \$0.17 million gross, \$0 net).
- The City will host the Pedestrian Plan/Walk 21 International Conference to engage international pedestrian planning experts in the development of Toronto's Pedestrian Plan. (\$0.367 million gross and net).
- The Toronto Bike Plan implementation will be accelerated and a new Pedestrian Plan will be developed with four new funded staff positions to support these initiatives (\$0.287 million gross, \$0 net).

Public Space Improvements

- A Design Review Pilot Project will be implemented in six pilot areas (\$0.025 million new funding to be added to base funding of \$0.09 million).
- A team for Union Station will be established to provide stewardship, renewal and revitalization of this heritage building (\$0.683 million gross, \$0 net).
- One additional full time staff will be hired to support a new Heritage Property Tax Rebate Program Initiative (\$0.058 million gross and \$0.018 million net) for applications estimated to total \$3.5 million in 2007.
- A Public Space Beautification Plan for 11 major cultural institutions will be developed during 2007 (\$0.125 million).
- Neighbourhood Beautification will be enhanced across the entire City through new funding of \$0.594 million to be added to base funding of \$0.066 million for a total of \$0.660 million (this will increase funding from \$1,500 to \$15,000 per ward).

Community and Neighbourhood Leisure and Wellness

- 23,844 subsidized day care spaces will be maintained to provide 27% of the children in need of child care services through municipal and community child care centres.
- Phase 2 of the After School Recreation and Care Program (\$1.283 million gross, \$0 net) will serve up to 3,600 children in 13 priority neighbourhoods. Investing in Families (\$0.38 million, \$0 net) will work with single parent families on social assistance to provide needed social supports to stabilize their lives.
- Toronto Urban Farm, in the Jane-Finch neighbourhood, will continue to engage youth in farming, leadership development, and social entrepreneurship (\$0.188 million gross and net).
- Live with Culture will continue in 2007, continuing youth programs, and culture marketing as well as developing a web based portal, with \$0.59 million (gross and net) of funding applied from the International Profile initiative for no net budget increase.
- An expanded Nuit Blanche event will take place in 2007, with reallocated funds of \$0.321 million net and new funding of \$0.3 million net for a total of \$1.131 million gross and \$0.621 million net.
- A special Dinosaur Exhibit will animate the Zoo this summer (\$0.525 million gross, \$0.675 million net revenue).
- New Waterfront parklands and sports fields will be maintained (\$0.306 million gross and net).
- New facilities and new parklands will be maintained to City standards, including the maintenance of newly planted trees (\$1.035 million gross and \$1.023 million net).
- One hundred Ontario Works clients will be provided skill building, work experience and support to move to longer term jobs (\$2.0 million gross, \$0 net).

- An additional \$1.538 million will be invested in community capacity initiatives and culture activities within the Community Partnership and Investment Program.
- National Soccer Stadium will open this spring and will attract more visitors to Exhibition Place (\$3.642 million gross, \$0 net).

Public Service Improvements

- Six positions will be added in Toronto Building to increase the percentage of building permit applications issued within legislated timeframes to 90% (\$0.213 million gross, \$0 net).
- A project office will be established to implement recommendations of the IT Governance Review and improvement of the overall capability of IT services will be established (\$0.834 million gross, \$0 net).
- A corporate materials management strategy for divisional warehouse operations will be implemented (\$0.363 million gross, \$0 net).
- A Lobbyist Registrar's Office as mandated by the City of Toronto Act will become operational in 2007 (\$0.241 million gross and net). Funding is provided for the Lobbyist Registrar and an Administrative Assistant beginning April 1, 2007.

2008 Outlook

The estimated incremental impact from the approval of the 2007 Operating Budget on the 2008 budget due to factors such as annualized cost of base budget changes and in-year implementation of new and enhanced services, are summarized in Table 9 below. In total, these initiatives will result in a starting (known) budget pressure of \$681.7 million in 2008.

For the most part, the budget pressure is driven by the use of one-time revenues in 2007. Draws from reserves of \$282.3 million used to balance the 2007 Operating Budget is non recurring and therefore will become an operating budget pressure in 2008. Similarly, in 2006 the Province provided non-recurring operating budget assistance for TTC of \$100 million for each of 2006 and 2007. In accordance with approved City policy, Toronto Hydro Revenues are to be used to fund the capital program. Therefore, compliance with this policy will contribute \$106 million to the 2008 starting budget pressure.

The incremental operating cost of providing the 2007 approved services and service levels including inflation, COLA, merit and annualization is estimated \$189.3 million. In addition, it is estimated that debt service charges will increase by \$47.5 million. All together, expenditure increases will contribute \$236.8 million to the 2008 budget pressure. Annualization of non-tax revenues from 2007 will generate additional revenues of \$43.1 million in 2008.

Council has directed that the 2008 Operating Budget be held at a zero increase over 2007. Given a starting budget pressure of \$681.7 million, the City will continue to face a major challenge to balance the 2008 budget through austerity measures only. To complement the cost controls, service and program reviews, and continuous improvement initiatives in place, it is urgent that the City finds sustainable revenue solutions. As discussed above, to fix the structural deficit, which results in significant budget pressures year after year, will require revenues that grow with the economy, upload of provincially mandated social service costs, creation of a National Transit Strategy and new taxation measures under the City of Toronto Act.

Table 9
2008 Outlook – Incremental Impacts

	\$Millions	
Expenditures Increases:		
- Cost of Living Allowance/Merit	120.0	
- Inflation	27.0	
- Debt Service Cost	47.5	
- Annualization and Other	42.3	236.8
Non-Tax Revenue Increase		(43.1)
Total Base Budget Impact		193.7
Unsustainable Budget Balancing Strategies:		
Provincial Assistance – Transit Operations		100.0
City One-Time		
- Hydro Note Revenues – Interest and Dividends	106.0	
- Non Program Reserve Draws	252.0	
- Move Ontario Trust	30.0	388.0
Total 2008 Outlook – Incremental Impacts		681.7

RATE SUPPORTED PROGRAM

Rate Supported Programs include Toronto Water and Toronto Parking Authority. The 2007 Approved Rate Supported Operating Budget totals \$706.027 million. Toronto Water's 2007 Approved Operating Budget totals \$648.221 million representing an increase of \$40.8 million or 6.1% of the rate supported program budget.

Toronto Water

Toronto Water provides its customers with quality water services through supplying drinking water and treatment of wastewater essential for protecting public health and safety, in an environmentally responsible manner. To achieve its objectives, Toronto Water's 2007 Approved Operating Budget is \$648.221 million, representing an increase of \$37.771 million or 6.2% over 2006 (see Table 10). The most significant increase was the contribution to finance the Toronto Water Capital Budget which increased by 9.9% or \$24.198 million as shown in Table 10.

Toronto Water's 2007 Approved Operating Budget will result in the following outcomes:

- The pellitizer is expected to be operational in April of 2007 increasing the consumption of natural gas by \$1.882 million.
- Haulage of biosolids material costs is forecasted to increase as a result of the Carlton Farms Landfill Site not being able to accept biosolids as of August 1, 2006. Alternative sites had to be secured and the cost impact for 2007 will be approximately \$6.98 million.
- The increase in net cost of \$2.893 million for cut repair work which is managed by Transportation Services for Water Services reflects the escalated capital program which is primarily driven by state of good repair projects.
- Toronto Water has committed funding of \$3.766 million for the Toronto and Region Conservation Authority's 2007 Operating Budget.

All operating revenues received by Toronto Water are generated from user fees and charged for water consumption and sewage treatment. There is no reliance on the property tax base to support Toronto Water's services. To fund the operating requirements and capital contribution, a water rate increase of 9% was necessary and has been incorporated in the 2007 Approved Operating Budget.

Table 10
Toronto Water
2007 Approved Operating Budget by Service

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Water Production	55,521.6	55,522	62,926	62,926	65,590	65,590	2,664	4.2	2,664	4.2
Wastewater Treatment	88,156.2	88,156	89,615	89,615	104,463	104,463	14,848	16.6	14,848	16.6
District Operations	110,751.9	110,752	106,099	106,099	110,589	110,589	4,489	4.2	4,489	4.2
Wastewater Infrastructure	3,667.6	3,668	5,637	5,637	6,673	6,673	1,036	18.4	1,036	18.4
Capital Financing	232,104.7	232,105	245,097	245,097	269,294	269,294	24,198	9.9	24,198	9.9
Business Unit Support	3,702.6	3,703	11,484	11,484	12,135	12,135	651	5.7	651	5.7
Operational Support	10,210.2	10,210	14,993	14,993	16,393	16,393	1,400	9.3	1,400	9.3
Program Support	70,367.2	70,367	74,600	74,600	63,085	63,085	(11,515)	(15.4)	(11,515)	(15.4)
Revenue		(574,482)		(610,451)		(648,221)	-	na	(37,771)	6.2
Total Program Budget	574,482	-	610,451	-	648,221	-	37,771	6.2	-	na

Toronto Parking Authority (TPA)

Toronto Parking Authority exists to provide safe, attractive, self sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system. TPA's 2007 Operating Expenditure Budget is \$57.805 million, reflecting an increase of 5.5% over 2006 (See Table 11). The TPA revenues are exclusively generated from parking fees. In 2007, TPA will generate total revenues of \$102.234 million resulting in a net operating budget surplus of \$44.429 million.

Key services to be provided by the Toronto Parking Authority in 2007 include the following:

- Operations of approximately 20,000 off-street spaces in 180 facilities including 22 parking garages, as well as 18,000 on-street spaces controlled by pay-and-display technology or single spaced meters.
- On behalf of the Toronto Transit Commission, management of 14,000 spaces at their park-and-ride facilities, and parking areas on behalf of the Parks, Forestry and Recreation Program serving the waterfront parks during the summer season.

Table 11
Toronto Parking Authority 2007 Operating Budget

	Approved Budget (\$000s)						Change over 2006				
	2005		2006		2007		Gross		Net		
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%	
Services											
Off-Street Parking	43,950	(16,899)	43,866	(15,318)	46,082	(18,153)	2,215	5.0	(2,834)	18.5	
On-Street Parking	10,333	(25,989)	10,935	(25,065)	11,723	(26,277)	788	n/a	(1,212)	n/a	
Total Program Budget	54,282	(42,887)	54,801	(40,383)	57,805	(44,429)	3,003	5.5	(4,046)	10.0	

SUMMARY

The City of Toronto's total 2007 approved tax levy and rate supported operating budget is \$8.503 billion as shown in Table 12. Gross expenditures increased by \$231.4 million or 2.8% when compared with 2006. This is a very modest increase, which is reflective of the effort made to find cost savings through efficiencies, and generally cost control. Table 12 also illustrates the 2007 approved levy net budget increase of 2.8%, which conforms to the strategic direction to raise property taxes by no more than the City of Toronto rate of inflation, if necessary. Despite successes in containing expenditures, it was necessary to use \$488.0 million of non-recurring revenues to balance the 2007 Tax Levy Operating Budget. To balance the Toronto Water Budget, a rate increase of 9% was required.

Table 12
2007 Approved Operating Budget
Tax Levy and Rate Supported Programs (\$Millions)

	2006		2007		Change over 2006			
					Gross		Net	
	Gross	Net	Gross	Net	\$	%	\$	%
Property Tax Levy Operations	7,606.7	3,131.8	7,797.4	3,220.7	190.6	2.5	88.8	2.8
Rate Supported Programs	665.3	(40.4)	706.0	(44.4)	40.8	6.1	(4.0)	10.0
Total Budget	8,272.0	3,091.4	8,503.4	3,176.2	231.4	2.8	84.8	2.7

Overall, the 2007 Approved Operating Budget balances short-term service needs against long-term objectives. It sets the framework for implementing Council's policy agenda and the Mayor's commitment to a prosperous, inclusive city that is safe, economically strong, clean and green, transit friendly, creative and a place where everyone has a chance to succeed. This budget maintains service levels needed by residents and businesses. As has been the case in prior years, on average, more than 60% of property tax revenue is earmarked to pay for police, fire and emergency medical services, transit, garbage collection and recycling, libraries, parks and roads – services that impact the quality of life of Toronto residents.

2007 COUNCIL APPROVED OPERATING BUDGET SUMMARY BY CITY PROGRAM

Gross Expenditure and Comparison with 2006 and 2005

(In \$000's)	2005 Approved Budget	2006 Approved Budget	2007 Approved Base Budget	Change from 2006 Approved Budget	
				\$ Incr/(Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	2,826.7	3,018.1	3,185.9	167.8	5.6%
Children's Services	332,235.7	379,350.7	335,796.3	(43,554.4)	(11.5%)
Court Services	29,428.5	32,459.3	34,769.9	2,310.6	7.1%
Economic Development, Culture & Tourism	31,825.1	36,509.4	33,276.8	(3,232.6)	(8.9%)
Emergency Medical Services	135,089.1	142,528.2	147,133.3	4,605.1	3.2%
Homes for the Aged	179,992.1	186,005.2	192,320.2	6,315.0	3.4%
Parks, Forestry & Recreation	276,580.5	289,166.3	296,884.4	7,718.1	2.7%
Shelter, Support & Housing Administration	674,817.5	717,764.9	689,684.7	(28,080.2)	(3.9%)
Social Development, Finance & Administration	30,432.9	27,954.9	27,732.2	(222.7)	(0.8%)
Social Services	972,119.2	1,037,486.7	1,067,833.1	30,346.4	2.9%
3-1-1 Customer Service Strategy	382.9	4,579.5	3,016.8	(1,562.7)	(34.1%)
Sub-Total Citizen Centred Services "A"	2,665,730.2	2,856,823.2	2,831,633.6	(25,189.6)	(0.9%)
Citizen Centred Services "B"					
City Planning	29,926.3	32,237.2	33,268.3	1,031.1	3.2%
Clean and Beautiful City Secretariat	326.5	347.3	472.3	125.0	36.0%
Fire Services	309,064.5	335,386.4	344,707.1	9,320.7	2.8%
Municipal Licensing & Standards	27,387.1	33,610.3	33,635.3	25.0	0.1%
Policy, Planning, Finance and Administration	9,787.5	13,720.3	12,967.3	(753.0)	(5.5%)
Solid Waste Management Services	225,219.5	228,849.4	237,796.3	8,946.9	3.9%
Technical Services	55,487.9	58,462.5	62,078.1	3,615.6	6.2%
Toronto Building	36,665.3	38,853.6	39,198.4	344.8	0.9%
Transportation Services	277,507.7	275,894.4	272,531.5	(3,362.9)	(1.2%)
Waterfront Secretariat	829.5	993.5	1,115.9	122.4	12.3%
Sub-Total Citizen Centred Services "B"	972,201.8	1,018,354.9	1,037,770.5	19,415.6	1.9%
Internal Services					
Office of the Chief Financial Officer	16,687.7	13,215.5	13,452.2	236.7	1.8%
Office of the Treasurer	60,452.2	63,157.7	65,528.0	2,370.3	3.8%
Public Information & Creative Services	6,873.1	4,808.4	4,765.3	(43.1)	(0.9%)
Facilities & Real Estate	111,602.6	117,761.2	120,629.9	2,868.7	2.4%
Fleet Services	34,001.1	34,688.2	35,650.3	962.1	2.8%
Information & Technology	52,162.0	52,661.6	55,056.5	2,394.9	4.5%
Sub-Total Internal Services	281,778.7	286,292.6	295,082.1	8,789.5	3.1%
City Manager					
City Manager's Office	34,378.3	39,518.5	39,591.2	72.7	0.2%
Sub-Total City Manager	34,378.3	39,518.5	39,591.2	72.7	0.2%
Other City Programs					
City Clerk's Office	40,838.2	48,655.3	44,259.6	(4,395.7)	(9.0%)
Legal Services	25,963.5	29,420.5	31,539.6	2,119.1	7.2%
Mayor's Office	1,855.8	1,886.2	2,036.2	150.0	8.0%
City Council	18,514.5	18,761.5	19,649.2	887.7	4.7%
Sub-Total Other City Programs	87,172.0	98,723.5	97,484.5	(1,239.0)	(1.3%)
Council Appointed Programs					
Auditor General's Office	3,566.4	3,881.2	3,988.4	107.2	2.8%
Lobbyist Registrar	0.0	0.0	0.0	0.0	n/a
Sub-Total Council Appointed Programs	3,566.4	3,881.2	3,988.4	107.2	2.8%
TOTAL – CITY OPERATIONS	4,044,827.4	4,303,593.9	4,305,550.3	1,956.5	0.0%
Agencies, Boards and Commissions					
Toronto Public Health	193,933.7	211,898.4	207,399.3	(4,499.0)	(2.1%)
Toronto Public Library	154,879.5	158,572.6	164,249.4	5,676.8	3.6%
Association of Community Centres	5,951.3	6,304.7	6,394.0	89.3	1.4%

2007 Approved New/Enh. Budget	2007 Approved Total Budget	Change from 2006 Approved Budget	
		\$ Incr/(Dcr)	%
0.0	3,185.9	167.8	5.6%
942.2	336,738.5	(42,612.2)	(11.2%)
327.4	35,097.3	2,638.0	8.1%
400.0	33,676.8	(2,832.6)	(7.8%)
2,063.2	149,196.5	6,668.3	4.7%
0.0	192,320.2	6,315.0	3.4%
7,024.9	303,909.2	14,743.0	5.1%
2,807.8	692,492.5	(25,272.4)	(3.5%)
632.8	28,365.0	410.1	1.5%
3,503.0	1,071,336.1	33,849.4	3.3%
0.0	3,016.8	(1,562.7)	(34.1%)
17,701.3	2,849,334.9	(7,488.3)	(0.3%)
617.1	33,885.4	1,648.2	5.1%
594.0	1,066.3	719.0	207.0%
43.6	344,750.7	9,364.3	2.8%
2.9	33,638.2	27.9	0.1%
972.0	13,939.3	219.0	1.6%
0.0	237,796.3	8,946.9	3.9%
418.0	62,496.1	4,033.6	6.9%
501.1	39,699.5	845.9	2.2%
1,650.1	274,181.6	(1,712.8)	(0.6%)
200.0	1,315.9	322.4	32.5%
4,998.8	1,042,769.3	24,414.4	2.4%
94.2	13,546.4	330.9	2.5%
1,166.3	66,694.3	3,536.6	5.6%
0.0	4,765.3	(43.1)	(0.9%)
1,791.1	122,421.0	4,659.8	4.0%
171.1	35,821.4	1,133.2	3.3%
1,633.0	56,689.5	4,027.9	7.6%
4,855.7	299,937.8	13,645.2	4.8%
0.0	39,591.2	72.7	0.2%
0.0	39,591.2	72.7	0.2%
41.5	44,301.1	(4,354.2)	(8.9%)
268.7	31,808.3	2,387.8	8.1%
410.9	2,447.1	560.9	29.7%
0.0	19,649.2	887.7	4.7%
721.1	98,205.6	(517.9)	(0.5%)
0.0	3,988.4	107.2	2.8%
241.0	241.0	241.0	n/a
241.0	4,229.4	348.2	9.0%
28,517.9	4,334,068.2	30,474.4	0.7%
3,107.3	210,506.6	(1,391.7)	(0.7%)
98.5	164,347.9	5,775.3	3.6%
0.0	6,394.0	89.3	1.4%

2007 COUNCIL APPROVED OPERATING BUDGET SUMMARY BY CITY PROGRAM

Gross Expenditure and Comparison with 2006 and 2005

(In \$000's)	2005 Approved Budget	2006 Approved Budget	2007 Approved Base Budget	Change from 2006 Approved Budget	
				\$ Incr/(Dcr)	%
Agencies, Boards and Commissions <i>continued</i>					
Exhibition Place	46,383.9	47,230.6	49,739.3	2,508.7	5.3%
Heritage Toronto	519.0	671.3	571.3	(100.0)	(14.9%)
Theatres	19,879.6	29,836.9	27,934.4	(1,902.5)	(6.4%)
Toronto Zoo	35,360.7	37,423.1	37,857.2	434.1	1.2%
Arena Boards of Management	5,490.1	5,680.8	5,969.3	288.5	5.1%
Yonge-Dundas Square	1,008.2	1,073.1	1,138.8	65.7	6.1%
Toronto & Region Conservation Authority	30,048.2	33,979.3	37,041.4	3,062.1	9.0%
Toronto Transit Commission – Conventional	970,666.2	1,037,991.9	1,082,353.5	44,361.6	4.3%
Toronto Transit Commission – Wheel-Trans	56,545.9	63,009.1	68,771.3	5,762.2	9.1%
Toronto Police Service	748,691.0	796,906.6	826,648.2	29,741.6	3.7%
Toronto Police Services Board	1,296.7	1,784.6	2,238.3	453.7	25.4%
TOTAL – AGENCIES, BOARDS AND COMMISSIONS	2,270,654.0	2,432,363.0	2,518,305.8	85,942.8	3.5%
Corporate Accounts					
Community Partnership and Investment Program	44,157.3	40,443.9	40,422.8	(21.1)	(0.1%)
Capital & Corporate Financing	455,964.7	477,442.3	547,052.5	69,610.2	14.6%
Non-Program Expenditures					
– Tax Deficiencies/Write-offs	95,171.0	89,894.8	75,000.0	(14,894.8)	(16.6%)
– Assessment Function (MPAC)	31,200.0	32,200.0	33,000.0	800.0	2.5%
– Temporary Borrowing	400.0	400.0	400.0	0.0	0.0%
– Funding of Employee Related Liabilities	35,487.6	35,487.6	35,494.3	6.7	0.0%
– Programs Funded from Reserve Fund	70,675.6	101,066.6	92,130.4	(8,936.2)	(8.8%)
– Other Corporate Expenditures	26,164.5	9,889.7	7,820.7	(2,069.0)	(20.9%)
– Insurance Premiums & Claims	300.0	306.7	3,306.7	3,000.0	978.2%
– Parking Tag Enforcement & Oper.	41,809.3	42,483.6	43,603.9	1,120.3	2.6%
– Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	0.0	0.0%
– Corporate Utilities	0.0	0.0	1,500.0	1,500.0	n/a
– Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	0.0	0.0%
– Heritage Property Taxes Rebate	0.0	718.3	718.3	0.0	0.0%
– Street & Expressway Lighting Services	0.0	23,453.6	24,857.8	1,404.2	6.0%
Non-Program Expenditures	319,408.0	352,400.9	334,332.1	(18,068.8)	(5.1%)
Non-Program Revenues					
– Payments in Lieu of Taxes		0.0	0.0	0.0	n/a
– Supplementary Taxes		0.0	0.0	0.0	n/a
– Tax Penalties		0.0	0.0	0.0	n/a
– Interest/Investment Earnings	0.0	504.5	513.3	8.8	1.7%
– Other Corporate Revenues		0.0	0.0	0.0	n/a
– Toronto Hydro Revenues		0.0	0.0	0.0	n/a
– Provincial Revenue		0.0	0.0	0.0	n/a
– Parking Authority Revenues		0.0	0.0	0.0	n/a
– Administrative Support Recoveries – Water		0.0	0.0	0.0	n/a
– Administrative Support Recoveries – Health & EMS		0.0	0.0	0.0	n/a
– Parking Tag Enforcement & Oper.		0.0	0.0	0.0	n/a
– Other Tax Revenues		0.0	0.0	0.0	n/a
– Woodbine Slots		0.0	0.0	0.0	n/a
Non-Program Revenues	0.0	504.5	513.3	8.8	1.7%
TOTAL – CORPORATE ACCOUNTS	819,530.0	870,791.6	922,320.7	51,529.1	5.9%
TOTAL LEVY OPERATING BUDGET	7,135,011.4	7,606,748.4	7,746,176.8	139,428.4	1.8%
NON LEVY OPERATIONS					
Toronto Parking Authority	54,281.8	54,801.3	57,494.7	2,693.4	4.9%
Toronto Water	586,050.3	610,450.7	638,840.9	28,390.2	4.7%
TOTAL NON LEVY OPERATING BUDGET	640,332.1	665,252.0	696,335.6	31,083.6	4.7%

2007 Approved New/Enh. Budget	2007 Approved Total Budget	Change from 2006 Approved Budget	
		\$ Incr/(Dcr)	%
3,642.4	53,381.7	6,151.1	13.0%
34.7	606.0	(65.3)	(9.7%)
2,670.0	30,604.4	767.5	2.6%
601.0	38,458.2	1,035.1	2.8%
0.0	5,969.3	288.5	5.1%
27.7	1,166.5	93.4	8.7%
(415.7)	36,625.7	2,646.4	7.8%
540.0	1,082,893.5	44,901.6	4.3%
0.0	68,771.3	5,762.2	9.1%
3,530.0	830,178.2	33,271.6	4.2%
0.0	2,238.3	453.7	25.4%
13,835.9	2,532,141.7	99,778.7	4.1%
1,538.4	41,961.2	1,517.3	3.8%
0.0	547,052.5	69,610.2	14.6%
0.0	75,000.0	(14,894.8)	(16.6%)
0.0	33,000.0	800.0	2.5%
0.0	400.0	0.0	0.0%
0.0	35,494.3	6.7	0.0%
0.0	92,130.4	(8,936.2)	(8.8%)
4,509.0	12,329.7	2,440.0	24.7%
0.0	3,306.7	3,000.0	978.2%
0.0	43,603.9	1,120.3	2.6%
0.0	16,500.0	0.0	0.0%
0.0	1,500.0	1,500.0	n/a
0.0	0.0	0.0	0.0%
2,781.7	3,500.0	2,781.7	387.3%
0.0	24,857.8	1,404.2	6.0%
7,290.7	341,622.8	(10,778.1)	(3.1%)
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	513.3	8.8	1.7%
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	513.3	8.8	1.7%
8,829.1	931,149.8	60,358.2	6.9%
51,182.9	7,797,359.7	190,611.3	2.5%
310.0	57,804.7	3,003.4	5.5%
9,380.4	648,221.3	37,770.6	6.2%
9,690.4	706,026.0	40,774.0	6.1%

2007 COUNCIL APPROVED OPERATING BUDGET SUMMARY BY CITY PROGRAM

Revenues and Comparison with 2006 and 2005

(In \$000's)	2005 Approved Budget	2006 Approved Budget	2007 Approved Base Budget	Change from 2006 Approved Budget		2007 Approved New/Enh. Budget	2007 Approved Total Budget	Change from 2006 Approved Budget	
				\$ Incr/(Dcr)	%			\$ Incr/(Dcr)	%
Citizen Centred Services "A"									
Affordable Housing Office	1,433.6	1,600.0	1,767.8	167.8	10.5%	0.0	1,767.8	167.8	10.5%
Children's Services	264,112.1	311,059.7	266,771.5	(44,288.2)	(14.2%)	942.2	267,713.7	(43,346.0)	(13.9%)
Court Services	38,462.9	41,959.3	43,838.2	1,878.9	4.5%	2,388.5	46,226.7	4,267.4	10.2%
Economic Development, Culture & Tourism	9,513.0	12,212.5	8,979.9	(3,232.6)	(26.5%)	100.0	9,079.9	(3,132.6)	(25.7%)
Emergency Medical Services	67,570.8	82,021.3	85,788.3	3,767.0	4.6%	1,818.7	87,607.0	5,585.7	6.8%
Homes for the Aged	147,258.8	153,353.3	159,668.3	6,315.0	4.1%	0.0	159,668.3	6,315.0	4.1%
Parks, Forestry & Recreation	73,072.6	72,961.5	74,632.8	1,671.3	2.3%	2,675.2	77,308.0	4,346.5	6.0%
Shelter, Support & Housing Administration	404,885.2	441,191.2	413,302.8	(27,888.4)	(6.3%)	2,616.0	415,918.8	(25,272.4)	(5.7%)
Social Development, Finance & Administration	10,090.5	12,029.7	11,807.1	(222.6)	(1.9%)	632.8	12,439.9	410.2	3.4%
Social Services	751,059.4	759,609.7	773,548.4	13,938.7	1.8%	3,503.0	777,051.4	17,441.7	2.3%
3-1-1 Customer Service Strategy	0.0	4,189.6	2,626.9	(1,562.7)	(37.3%)	0.0	2,626.9	(1,562.7)	(37.3%)
Sub-Total Citizen Centred Services "A"	1,767,458.9	1,892,187.8	1,842,732.0	(49,455.8)	(2.6%)	14,676.4	1,857,408.4	(34,779.4)	(1.8%)
Citizen Centred Services "B"									
City Planning	16,617.9	19,042.1	19,933.9	891.8	4.7%	532.7	20,466.6	1,424.5	7.5%
Clean and Beautiful City Secretariat	0.0	30.0	30.0	0.0	0.0%	0.0	30.0	0.0	0.0%
Fire Services	6,454.6	11,130.1	8,666.2	(2,463.9)	(22.1%)	0.0	8,666.2	(2,463.9)	(22.1%)
Municipal Licensing & Standards	22,900.8	24,280.8	22,621.7	(1,659.1)	(6.8%)	0.0	22,621.7	(1,659.1)	(6.8%)
Policy, Planning, Finance and Administration	686.8	1,120.1	367.1	(753.0)	(67.2%)	972.0	1,339.1	219.0	19.6%
Solid Waste Management Services	59,931.2	57,923.1	54,254.9	(3,668.2)	(6.3%)	0.0	54,254.9	(3,668.2)	(6.3%)
Technical Services	51,101.8	56,027.4	59,319.9	3,292.5	5.9%	70.0	59,389.9	3,362.5	6.0%
Toronto Building	48,272.6	50,822.7	51,370.7	548.0	1.1%	298.0	51,668.7	846.0	1.7%
Transportation Services	93,774.7	97,871.8	89,335.9	(8,535.9)	(8.7%)	753.7	90,089.6	(7,782.2)	(8.0%)
Waterfront Secretariat	120.0	166.7	236.2	69.5	41.7%	0.0	236.2	69.5	41.7%
Sub-Total Citizen Centred Services "B"	299,860.4	318,414.8	306,136.5	(12,278.3)	(3.9%)	2,626.4	308,762.9	(9,651.9)	(3.0%)
Internal Services									
Office of the Chief Financial Officer	3,490.3	3,274.7	3,483.9	209.2	6.4%	94.2	3,578.1	303.4	9.3%
Office of the Treasurer	30,126.7	31,620.8	33,584.6	1,963.8	6.2%	1,150.8	34,735.4	3,114.6	9.8%
Public Information & Creative Services	57.0	186.1	143.1	(43.0)	(23.1%)	0.0	143.1	(43.0)	(23.1%)
Facilities & Real Estate	60,361.0	64,800.3	66,867.7	2,067.4	3.2%	1,609.1	68,476.8	3,676.5	5.7%
Fleet Services	34,001.1	34,688.2	35,650.3	962.1	2.8%	171.1	35,821.4	1,133.2	3.3%
Information & Technology	10,426.8	6,160.0	7,219.7	1,059.7	17.2%	1,415.0	8,634.7	2,474.7	40.2%
Sub-Total Internal Services	138,462.9	140,730.1	146,949.3	6,219.2	4.4%	4,440.2	151,389.5	10,659.4	7.6%
City Manager									
City Manager's Office	2,105.8	2,546.3	2,453.8	(92.5)	(3.6%)	0.0	2,453.8	(92.5)	(3.6%)
Sub-Total City Manager	2,105.8	2,546.3	2,453.8	(92.5)	(3.6%)	0.0	2,453.8	(92.5)	(3.6%)
Other City Programs									
City Clerk's Office	20,931.0	18,058.9	12,859.6	(5,199.3)	(28.8%)	41.5	12,901.1	(5,157.8)	(28.6%)
Legal Services	7,946.3	10,261.4	11,973.0	1,711.6	16.7%	268.7	12,241.7	1,980.3	19.3%
Mayor's Office	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
City Council	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Sub-Total Other City Programs	28,877.3	28,320.3	24,832.6	(3,487.7)	(12.3%)	310.2	25,142.8	(3,177.5)	(11.2%)
Council Appointed Programs									
Auditor General's Office	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Lobbyist Registrar	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Sub-Total Council Appointed Programs	0.0	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
TOTAL – CITY OPERATIONS	2,236,765.3	2,382,199.3	2,323,104.1	(59,095.1)	(2.5%)	22,053.2	2,345,157.3	(37,041.9)	(1.6%)
Agencies, Boards and Commissions									
Toronto Public Health	123,179.6	148,070.6	157,314.3	9,243.7	6.2%	2,794.9	160,109.2	12,038.6	8.1%
Toronto Public Library	14,431.0	14,094.6	14,475.6	381.0	2.7%	160.0	14,635.6	541.0	3.8%
Association of Community Centres	225.3	453.6	161.8	(291.8)	(64.3%)	0.0	161.8	(291.8)	(64.3%)

2007 COUNCIL APPROVED OPERATING BUDGET SUMMARY BY CITY PROGRAM

Revenues and Comparison with 2006 and 2005

(In \$000's)	2005 Approved Budget	2006 Approved Budget	2007 Approved Base Budget	Change from 2006 Approved Budget	
				\$ Incr/(Dcr)	%
Agencies, Boards and Commissions <i>continued</i>					
Exhibition Place	46,194.0	47,176.7	49,099.4	1,922.7	4.1%
Heritage Toronto	211.1	331.1	231.1	(100.0)	(30.2%)
Theatres	17,012.0	26,931.2	22,555.8	(4,375.4)	(16.2%)
Toronto Zoo	23,795.3	25,753.0	25,718.9	(34.1)	(0.1%)
Arena Boards of Management	5,228.6	5,554.3	5,787.7	233.4	4.2%
Yonge-Dundas Square	437.0	489.8	555.5	65.7	13.4%
Toronto & Region Conservation Authority	27,032.9	30,969.5	33,947.2	2,977.7	9.6%
Toronto Transit Commission - Conventional	742,186.2	791,685.4	811,112.3	19,426.9	2.5%
Toronto Transit Commission - Wheel-Trans	2,810.4	3,040.8	3,236.5	195.7	6.4%
Toronto Police Service	32,587.8	44,531.7	45,220.1	688.4	1.5%
Toronto Police Services Board	0.0	0.0	0.0	0.0	n/a
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,035,331.2	1,139,082.3	1,169,416.2	30,333.9	2.7%
Corporate Accounts					
Community Partnership and Investment Program	5,295.2	269.0	259.0	(10.0)	(3.7%)
Capital & Corporate Financing	23,500.0	4,931.0	8,463.0	3,532.0	71.6%
Non-Program Expenditures					
- Tax Deficiencies/Write-offs	2,562.4	2,894.8	0.0	(2,894.8)	(100.0%)
- Assessment Function (MPAC)		0.0	0.0	0.0	n/a
- Temporary Borrowing		0.0	0.0	0.0	n/a
- Funding of Employee Related Liabilities		0.0	0.0	0.0	n/a
- Programs Funded from Reserve Fund	70,675.6	101,066.6	92,130.4	(8,936.2)	(8.8%)
- Other Corporate Expenditures	3,817.0	1,528.0	935.0	(593.0)	(38.8%)
- Insurance Premiums & Claims		0.0	0.0	0.0	n/a
- Parking Tag Enforcement & Oper.		0.0	0.0	0.0	n/a
- Vacancy Rebate Program		0.0	0.0	0.0	n/a
- Corporate Utilities		0.0	0.0	0.0	n/a
- Heritage Property Taxes Rebate		0.0	0.0	0.0	n/a
- Street & Expressway Lighting Services	0.0	880.0	880.0	0.0	0.0%
Non-Program Expenditures	77,055.0	106,369.4	93,945.4	(12,424.0)	(11.7%)
Non-Program Revenues					
- Payments in Lieu of Taxes	83,929.9	83,929.9	81,400.0	(2,529.9)	(3.0%)
- Supplementary Taxes	37,000.0	37,000.0	34,000.0	(3,000.0)	(8.1%)
- Tax Penalties	26,500.0	25,500.0	28,500.0	3,000.0	11.8%
- Interest/Investment Earnings	62,000.0	62,000.0	67,000.0	5,000.0	8.1%
- Other Corporate Revenues	23,178.6	122,500.6	211,889.0	89,388.4	73.0%
- Toronto Hydro Revenues	195,055.7	112,655.7	106,090.2	(6,565.5)	(5.8%)
- Provincial Revenue	136,600.0	226,600.0	241,053.2	14,453.2	6.4%
- Parking Authority Revenues	27,295.4	25,369.7	28,384.5	3,014.8	11.9%
- Administrative Support Recoveries - Water	18,973.0	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	17,302.0	17,302.0	17,302.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	82,787.0	80,550.0	80,000.0	(550.0)	(0.7%)
- Other Tax Revenues	14,260.1	15,688.3	15,600.0	(88.3)	(0.6%)
- Woodbine Slots	15,700.0	14,000.0	14,500.0	500.0	3.6%
Non-Program Revenues	740,581.7	842,069.2	944,691.9	102,622.7	12.2%
TOTAL - CORPORATE ACCOUNTS	846,431.9	953,638.6	1,047,359.3	93,720.7	9.8%
TOTAL LEVY OPERATING BUDGET	4,118,528.4	4,474,920.1	4,539,879.6	64,959.5	1.5%
NON LEVY OPERATIONS					
Toronto Parking Authority	97,169.0	95,184.6	102,234.1	7,049.5	7.4%
Toronto Water	586,050.3	610,450.7	638,840.9	28,390.2	4.7%
TOTAL NON LEVY BUDGET	683,219.3	705,635.3	741,075.0	35,439.7	5.0%

2007 Approved New/Enh. Budget	2007 Approved Total Budget	Change from 2006 Approved Budget	
		\$ Incr/(Dcr)	%
4,228.3	53,327.7	6,151.0	13.0%
5.0	236.1	(95.0)	(28.7%)
3,716.8	26,272.6	(658.6)	(2.4%)
1,200.0	26,918.9	1,165.9	4.5%
0.0	5,787.7	233.4	4.2%
27.7	583.2	93.4	19.1%
(415.7)	33,531.5	2,562.0	8.3%
0.0	811,112.3	19,426.9	2.5%
0.0	3,236.5	195.7	6.4%
0.0	45,220.1	688.4	1.5%
0.0	0.0	0.0	n/a
11,717.0	1,181,133.2	42,050.9	3.7%
0.0	259.0	(10.0)	(3.7%)
0.0	8,463.0	3,532.0	71.6%
0.0	0.0	(2,894.8)	(100.0%)
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	92,130.4	(8,936.2)	(8.8%)
3,050.0	3,985.0	2,457.0	160.8%
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	0.0	0.0	n/a
0.0	880.0	0.0	0.0%
3,050.0	96,995.4	(9,374.0)	(8.8%)
0.0	81,400.0	(2,529.9)	(3.0%)
0.0	34,000.0	(3,000.0)	(8.1%)
0.0	28,500.0	3,000.0	11.8%
0.0	67,000.0	5,000.0	8.1%
0.0	211,889.0	89,388.4	73.0%
0.0	106,090.2	(6,565.5)	(5.8%)
0.0	241,053.2	14,453.2	6.4%
0.0	28,384.5	3,014.8	11.9%
0.0	18,973.0	0.0	0.0%
0.0	17,302.0	0.0	0.0%
0.0	80,000.0	(550.0)	(0.7%)
0.0	15,600.0	(88.3)	(0.6%)
0.0	14,500.0	500.0	3.6%
0.0	944,691.9	102,622.7	12.2%
3,050.0	1,050,409.3	96,770.7	10.1%
36,820.2	4,576,699.8	101,779.7	2.3%
0.0	102,234.1	7,049.5	7.4%
9,380.4	648,221.3	37,770.6	6.2%
9,380.4	750,455.4	44,820.1	6.4%

2007 COUNCIL APPROVED OPERATING BUDGET SUMMARY BY CITY PROGRAM

Net Expenditures and Comparison with 2006 and 2005

In (\$000's)	2005 Approved Budget	2006 Approved Budget	2007 Approved Base Budget	Change from 2006 Approved Budget	
				\$ Incr/(Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	1,393.1	1,418.1	1,418.1	0.0	0.0%
Children's Services	68,123.6	68,291.0	69,024.8	733.8	1.1%
Court Services	(9,034.4)	(9,500.0)	(9,068.3)	431.7	4.5%
Economic Development, Culture & Tourism	22,312.1	24,296.9	24,296.9	0.0	0.0%
Emergency Medical Services	67,518.3	60,506.9	61,345.0	838.1	1.4%
Homes for the Aged	32,733.3	32,651.9	32,651.9	0.0	0.0%
Parks, Forestry & Recreation	203,507.9	216,204.8	222,251.6	6,046.8	2.8%
Shelter, Support & Housing Administration	269,932.3	276,573.7	276,381.9	(191.8)	(0.1%)
Social Development, Finance & Administration	20,342.4	15,925.2	15,925.1	(0.1)	(0.0%)
Social Services	221,059.8	277,877.0	294,284.7	16,407.7	5.9%
3-1-1 Customer Service Strategy	382.9	389.9	389.9	0.0	0.0%
Sub-Total Citizen Centred Services "A"	898,271.3	964,635.4	988,901.6	24,266.2	2.5%
Citizen Centred Services "B"					
City Planning	13,308.4	13,195.1	13,334.4	139.3	1.1%
Clean and Beautiful City Secretariat	326.5	317.3	442.3	125.0	39.4%
Fire Services	302,609.9	324,256.3	336,040.9	11,784.6	3.6%
Municipal Licensing & Standards	4,486.3	9,329.5	11,013.6	1,684.1	18.1%
Policy, Planning, Finance and Administration	9,100.7	12,600.2	12,600.2	0.0	0.0%
Solid Waste Management Services	165,288.3	170,926.3	183,541.4	12,615.1	7.4%
Technical Services	4,386.1	2,435.1	2,758.2	323.1	13.3%
Toronto Building	-11,607.4	(11,969.1)	(12,172.3)	(203.2)	(1.7%)
Transportation Services	183,733.0	178,022.6	183,195.6	5,173.0	2.9%
Waterfront Secretariat	709.5	826.8	879.7	52.9	6.4%
Sub-Total Citizen Centred Services "B"	672,341.3	699,940.1	731,634.0	31,693.9	4.5%
Internal Services					
Office of the Chief Financial Officer	13,197.4	9,940.8	9,968.3	27.5	0.3%
Office of the Treasurer	30,325.5	31,536.9	31,943.4	406.5	1.3%
Public Information & Creative Services	6,816.1	4,622.3	4,622.2	(0.1)	(0.0%)
Facilities & Real Estate	51,241.6	52,960.9	53,762.2	801.3	1.5%
Fleet Services	0.0	0.0	0.0	0.0	n/a
Information & Technology	41,735.2	46,501.6	47,836.8	1,335.2	2.9%
Sub-Total Internal Services	143,315.8	145,562.5	148,132.9	2,570.4	1.8%
City Manager					
City Manager's Office	32,272.5	36,972.2	37,137.4	165.2	0.4%
Sub-Total City Manager	32,272.5	36,972.2	37,137.4	165.2	0.4%
Other City Programs					
City Clerk's Office	19,907.2	30,596.4	31,400.0	803.6	2.6%
Legal Services	18,017.2	19,159.1	19,566.6	407.5	2.1%
Mayor's Office	1,855.8	1,886.2	2,036.2	150.0	8.0%
City Council	18,514.5	18,761.5	19,649.2	887.7	4.7%
Sub-Total Other City Programs	58,294.7	70,403.2	72,652.0	2,248.8	3.2%
TOTAL - CITY OPERATIONS	1,917,513.4	1,978,457.8	60,944.4	3.2%	6,223.7
Council Appointed Programs					
Auditor General's Office	3,566.4	3,881.2	3,988.4	107.2	2.8%
Lobbyist Registrar	0.0	0.0	0.0	0.0	n/a
Sub-Total Council Appointed Programs	3,566.4	3,881.2	3,988.4	107.2	2.8%
TOTAL - CITY OPERATIONS	1,808,062.0	1,921,394.6	1,982,446.2	61,051.6	3.2%
Agencies, Boards and Commissions					
Toronto Public Health	70,754.1	63,827.8	50,085.0	(13,742.8)	(21.5%)
Toronto Public Library	140,448.5	144,478.0	149,773.8	5,295.8	3.7%
Association of Community Centres	5,726.0	5,851.1	6,232.2	381.1	6.5%

2007 Approved New/Enh. Budget	2007 Approved Total Budget	Change from 2006 Approved Budget	
		\$ Incr/(Dcr)	%
0.0	1,418.1	0.0	0.0%
0.0	69,024.8	733.8	1.1%
(2,061.1)	(11,129.4)	(1,629.4)	(17.2%)
300.0	24,596.9	300.0	1.2%
244.5	61,589.5	1,082.6	1.8%
0.0	32,651.9	0.0	0.0%
4,349.7	226,601.3	10,396.5	4.8%
191.8	276,573.7	0.0	0.0%
0.0	15,925.1	(0.1)	(0.0%)
0.0	294,284.7	16,407.7	5.9%
0.0	389.9	0.0	0.0%
3,024.9	991,926.5	27,291.1	2.8%
84.4	13,418.8	223.7	1.7%
594.0	1,036.3	719.0	226.6%
43.6	336,084.5	11,828.2	3.6%
2.9	11,016.5	1,687.0	18.1%
0.0	12,600.2	0.0	0.0%
0.0	183,541.4	12,615.1	7.4%
348.0	3,106.2	671.1	27.6%
203.1	(11,969.2)	(0.1)	(0.0%)
896.4	184,092.0	6,069.4	3.4%
200.0	1,079.7	252.9	30.6%
2,372.4	734,006.4	34,066.3	4.9%
0.0	9,968.3	27.5	0.3%
15.5	31,958.9	422.0	1.3%
0.0	4,622.2	(0.1)	(0.0%)
182.0	53,944.2	983.3	1.9%
0.0	0.0	0.0	n/a
218.0	48,054.8	1,553.2	3.3%
415.5	148,548.4	2,985.9	2.1%
0.0	37,137.4	165.2	0.4%
0.0	37,137.4	165.2	0.4%
0.0	31,400.0	803.6	2.6%
0.0	19,566.6	407.5	2.1%
410.9	2,447.1	560.9	29.7%
0.0	19,649.2	887.7	4.7%
410.9	73,062.9	2,659.7	3.8%
1,984,681.5	67,168.1	3.5%	0.0
0.0	3,988.4	107.2	2.8%
241.0	241.0	241.0	n/a
241.0	4,229.4	348.2	9.0%
6,464.7	1,988,910.9	67,516.3	3.5%
312.4	50,397.4	(13,430.4)	(21.0%)
(61.5)	149,712.3	5,234.3	3.6%
0.0	6,232.2	381.1	6.5%

2007 COUNCIL APPROVED OPERATING BUDGET SUMMARY BY CITY PROGRAM

Net Expenditures and Comparison with 2006 and 2005

In (\$000's)	2005 Approved Budget	2006 Approved Budget	2007 Approved Base Budget	Change from 2006 Approved Budget	
				\$ Incr/(Dcr)	%
Agencies, Boards and Commissions <i>continued</i>					
Exhibition Place	189.9	53.9	639.9	586.0	1087.2%
Heritage Toronto	307.9	340.2	340.2	0.0	0.0%
Theatres	2,867.6	2,905.7	5,378.6	2,472.9	85.1%
Toronto Zoo	11,565.4	11,670.1	12,138.3	468.2	4.0%
Arena Boards of Management	261.5	126.5	181.7	55.2	43.6%
Yonge-Dundas Square	571.2	583.3	583.3	0.0	0.0%
Toronto & Region Conservation Authority	3,015.3	3,009.8	3,094.2	84.4	2.8%
Toronto Transit Commission – Conventional	228,480.0	246,306.5	271,241.2	24,934.7	10.1%
Toronto Transit Commission – Wheel-Trans	53,735.5	59,968.3	65,534.8	5,566.5	9.3%
Toronto Police Service	716,103.2	752,374.9	781,428.1	29,053.2	3.9%
Toronto Police Services Board	1,296.7	1,784.6	2,238.3	453.7	25.4%
TOTAL – AGENCIES, BOARDS AND COMMISSIONS	1,235,322.8	1,293,280.7	1,348,889.6	55,608.9	4.3%
Corporate Accounts					
Community Partnership and Investment Program	38,862.1	40,174.9	40,163.8	(11.1)	(0.0%)
Capital & Corporate Financing	432,464.7	472,511.3	538,589.5	66,078.2	14.0%
Non-Program Expenditures					
– Tax Deficiencies/Write-offs	92,608.8	87,000.0	75,000.0	(12,000.0)	(13.8%)
– Assessment Function (MPAC)	31,200.0	32,200.0	33,000.0	800.0	2.5%
– Temporary Borrowing	400.0	400.0	400.0	0.0	0.0%
– Funding of Employee Related Liabilities	35,487.6	35,487.6	35,494.3	6.7	0.0%
– Programs Funded from Reserve Fund	0.0	0.0	0.0	0.0	n/a
– Other Corporate Expenditures	22,347.5	8,361.7	6,885.7	(1,476.0)	(17.7%)
– Insurance Premiums & Claims	300.0	306.7	3,306.7	3,000.0	978.2%
– Parking Tag Enforcement & Oper.	41,809.3	42,483.6	43,603.9	1,120.3	2.6%
– Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	0.0	0.0%
– Corporate Utilities	0.0	0.0	1,500.0	1,500.0	n/a
– Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	0.0	0.0%
– Heritage Property Taxes Rebate	0.0	718.3	718.3	0.0	0.0%
– Street & Expressway Lighting Services	0.0	22,573.6	23,977.8	1,404.2	6.2%
Non-Program Expenditures	242,353.2	246,031.5	240,386.7	(5,644.8)	(2.3%)
Non-Program Revenues					
– Payments in Lieu of Taxes	(83,929.9)	(83,929.9)	(81,400.0)	2,529.9	3.0%
– Supplementary Taxes	(37,000.0)	(37,000.0)	(34,000.0)	3,000.0	8.1%
– Tax Penalties	(26,500.0)	(25,500.0)	(28,500.0)	(3,000.0)	(11.8%)
– Interest/Investment Earnings	(62,000.0)	(61,495.5)	(66,486.7)	(4,991.2)	(8.1%)
– Other Corporate Revenues	(23,178.6)	(122,500.6)	(211,889.0)	(89,388.4)	(73.0%)
– Toronto Hydro Revenues	(195,055.7)	(112,655.7)	(106,090.2)	6,565.5	5.8%
– Provincial Revenue	(136,600.0)	(226,600.0)	(241,053.2)	(14,453.2)	(6.4%)
– Parking Authority Revenues	(27,295.4)	(25,369.7)	(28,384.5)	(3,014.8)	(11.9%)
– Administrative Support Recoveries – Water	(18,973.0)	(18,973.0)	(18,973.0)	0.0	0.0%
– Administrative Support Recoveries – Health & EMS	(17,302.0)	(17,302.0)	(17,302.0)	0.0	0.0%
– Parking Tag Enforcement & Oper.	(82,787.0)	(80,550.0)	(80,000.0)	550.0	0.7%
– Other Tax Revenues	(14,260.1)	(15,688.3)	(15,600.0)	88.3	0.6%
– Woodbine Slots	(15,700.0)	(14,000.0)	(14,500.0)	(500.0)	(3.6%)
Non-Program Revenues	(740,581.7)	(841,564.7)	(944,178.6)	(102,613.9)	(12.2%)
TOTAL – CORPORATE ACCOUNTS	(26,901.7)	(82,847.0)	(125,038.6)	(42,191.6)	(50.9%)
TOTAL LEVY OPERATING BUDGET	3,016,483.1	3,131,828.3	3,206,297.2	74,468.9	2.4%
NON LEVY OPERATIONS					
Toronto Parking Authority	(42,887.2)	(40,383.3)	(44,739.4)	(4,356.1)	(10.8%)
Toronto Water	0.0	0.0	0.0	0.0	n/a
TOTAL NON LEVY OPERATING BUDGET	(42,887.2)	(40,383.3)	(44,739.4)	(4,356.1)	(10.8%)

2007 Approved New/Enh. Budget	2007 Approved Total Budget	Change from 2006 Approved Budget	
		\$ Incr/(Dcr)	%
(585.9)	54.0	0.1	0.2%
29.7	369.9	29.7	8.7%
(1,046.8)	4,331.8	1,426.1	49.1%
(599.0)	11,539.3	(130.8)	(1.1%)
0.0	181.7	55.2	43.6%
0.0	583.3	0.0	0.0%
0.0	3,094.2	84.4	2.8%
540.0	271,781.2	25,474.7	10.3%
0.0	65,534.8	5,566.5	9.3%
3,530.0	784,958.1	32,583.2	4.3%
0.0	2,238.3	453.7	25.4%
2,118.9	1,351,008.5	57,727.8	4.5%
1,538.4	41,702.2	1,527.3	3.8%
0.0	538,589.5	66,078.2	14.0%
0.0	75,000.0	(12,000.0)	(13.8%)
0.0	33,000.0	800.0	2.5%
0.0	400.0	0.0	0.0%
0.0	35,494.3	6.7	0.0%
0.0	0.0	0.0	n/a
1,459.0	8,344.7	(17.0)	(0.2%)
0.0	3,306.7	3,000.0	978.2%
0.0	43,603.9	1,120.3	2.6%
0.0	16,500.0	0.0	0.0%
0.0	1,500.0	1,500.0	n/a
0.0	0.0	0.0	0.0%
2,781.7	3,500.0	2,781.7	387.3%
0.0	23,977.8	1,404.2	6.2%
4,240.7	244,627.4	(1,404.1)	(0.6%)
0.0	(81,400.0)	2,529.9	3.0%
0.0	(34,000.0)	3,000.0	8.1%
0.0	(28,500.0)	(3,000.0)	(11.8%)
0.0	(66,486.7)	(4,991.2)	(8.1%)
0.0	(211,889.0)	(89,388.4)	(73.0%)
0.0	(106,090.2)	6,565.5	5.8%
0.0	(241,053.2)	(14,453.2)	(6.4%)
0.0	(28,384.5)	(3,014.8)	(11.9%)
0.0	(18,973.0)	0.0	0.0%
0.0	(17,302.0)	0.0	0.0%
0.0	(80,000.0)	550.0	0.7%
0.0	(15,600.0)	88.3	0.6%
0.0	(14,500.0)	(500.0)	(3.6%)
0.0	(944,178.6)	(102,613.9)	(12.2%)
5,779.1	(119,259.5)	(36,412.5)	(44.0%)
14,362.7	3,220,659.9	88,831.6	2.8%
310.0	(44,429.4)	(4,046.1)	(10.0%)
0.0	0.0	0.0	n/a
310.0	(44,429.4)	(4,046.1)	(10.0%)

2007 APPROVED CAPITAL BUDGET AND 2008-2011 CAPITAL PLAN

In accordance with approved directions and guidelines, the 2007 Approved Capital Budget and 2008-2011 Capital Plan is prioritized within five categories as shown in Table 1 below. The Council Approved Capital Budget and Plan focuses on maintaining and rehabilitating existing infrastructure in order to protect services that are needed by the citizens of Toronto. As shown in Table 1, \$1.075 billion or 75% of the 2007 Approved Capital Budget of \$1.432 billion is dedicated to maintaining existing assets in good repair [that is, State of Good Repair (SOGR) Legislated and Health and Safety projects]. This trend continues throughout the five-year term of the Capital Plan as graphically illustrated in Chart 1.

Table 1 also shows how the 2007 Approved Capital Budget and 2008-2011 Capital Plan is funded. The other orders of government are expected to fund approximately 33% or \$2.194 billion, primarily for planned transit capital expenditures. While this is a significant improvement from prior years, more is expected from both the provincial and federal governments to enable the City to mitigate the sizable and growing infrastructure gap – a gap caused by under-investment in key infrastructure which undermines the City of Toronto's competitiveness to remain the economic engine of the province and country.

Table 1
2007 Approved Capital Budget and 2008-2011 Capital Plan by Category and Financing Source
(excl. Rate Supported Programs)

	\$Millions							
	2007 Budget	2008	Capital Plan			TOTAL 2008-2011	TOTAL 2007-2011	Percent of Total
			2009	2010	2011			
Expenditures								
Health and Safety	47	42	35	36	38	151	198	3.0%
Legislated	72	82	66	70	82	300	372	5.6%
State of Good Repair	956	916	1,035	1,005	862	3,818	4,774	71.2%
Service Improvement	190	172	94	75	64	405	595	8.9%
Growth Related	167	189	163	134	110	596	763	11.4%
Total Gross Expenditures	1,432	1,401	1,393	1,320	1,156	5,270	6,702	100.0%
Funded By:								
Provincial	234	224	231	218	159	832	1,066	15.9%
Federal	230	250	228	213	207	898	1,128	16.8%
Reserves/Reserve Funds	182	174	140	121	107	542	724	10.8%
Other	137	139	108	81	69	397	534	8.0%
Capital from Current	124	124	124	124	124	496	620	9.3%
Debt	525	490	562	563	490	2,105	2,630	39.2%
Total Funding	1,432	1,401	1,393	1,320	1,156	5,270	6,702	100.0%

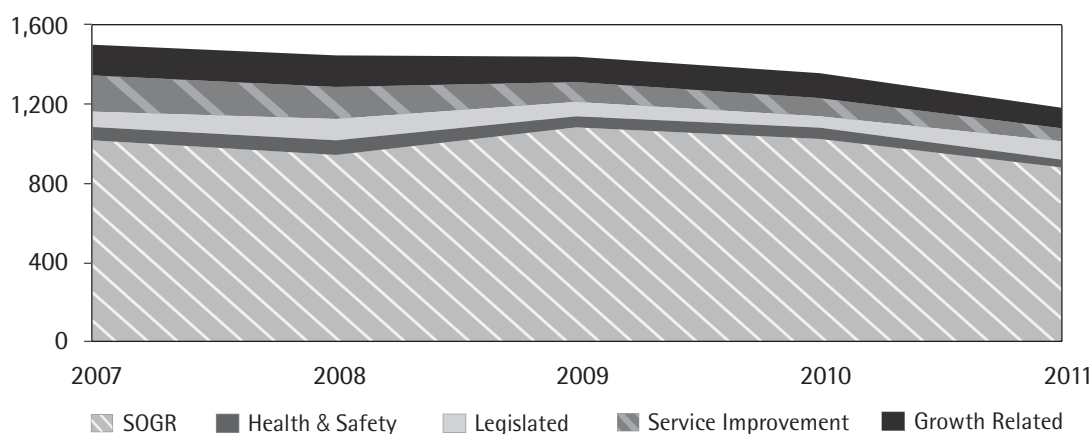
Financing the City's Capital Budget and Plan continued to be a major challenge, particularly because of diminished capital reserves and reduced non-debt funding sources. As a result, a major influencing factor in developing the 2007 Approved Capital Budget and 2008-2011 Capital Plan was the need to manage the City's debt burden without compromising the state of good repair of existing assets or the health and safety of its citizens. Debt financing totals \$2.63 billion or 39% of the total funding requirement proposed in the Approved Five-Year Capital Plan. However, when the projected debt retirement of \$1.0 billion (or \$200.0

million per year) is taken into account, new debt is approximately \$1.6 billion. Even with this significant investment, there continues to be a gap between capital spending needs and affordable funding estimates. This funding gap has resulted in a growing backlog that is estimated at \$1.392 billion at the end of 2011, despite increased spending on infrastructure maintenance. Notwithstanding this gap, the City has made significant strides in limiting the backlog to about 5% of the total estimated asset value of about \$30 billion (excluding Toronto Water assets).

Funding from reserves and reserve funds has decreased considerably due to declining contributions. Reserve and reserve funding for the 2007 Approved Capital Budget and 2008-2011 Capital Plan total \$724.0 million or approximately 11% of total funding requirements. Other funding sources total \$534.0 million, including development charges of \$125.239 million and unapplied capital financing of \$51.177 million. Unapplied capital financing refers mainly to unspent funds resulting from the completion of projects below budget.

Chart 1

2007 Capital Budget and 2008 to 2011 Capital Plan
By Category (\$Millions)



While the focus has been on infrastructure maintenance, the Approved Five-Year Capital Plan also addresses the need for investments to fulfill the service demands of a growing population and changing priorities. Over the next five years, spending on growth related and service improvement projects will be \$1.358 billion, approximately 20% of planned total spending.

DEBT FINANCING STRATEGY

Consistent with prior years, debt is the largest funding source for the 2007 Approved Capital Budget and 2008-2011 Capital Plan. As shown in Table 2, Council approved a debt affordability guideline of \$485 million for 2007 and a total of \$2.216 billion for 2007-2011. At the time these debt guidelines were established, it was estimated that, after adjusting for retired debt, the new debt requirement would be \$350 million in 2007 and \$1.541 billion during the five years 2007-2011. Over the five-year term of the capital budget and plan, \$791 million or 51% of the new debt guideline would be allocated to the Toronto Transit Commission (TTC) (see Table 2).

Table 2
2007 Capital Budget and 2008-2011 Capital Plan
Debt Request Versus Debt Guidelines

	\$Million					Total 2007-2011
	2007	2008	2009	2010	2011	
Council Approved Debt Guideline:						
Baseline Debt (Retire/Reissue)	135	135	135	135	135	675
New Debt:						
TTC	200	186	135	135	135	791
City	150	150	150	150	150	750
New (Affordable) Debt	350	336	285	285	285	1,541
Total Debt Guideline	485	471	420	420	420	2,216
Recommended Debt Requirement	525	490	562	563	499	2,639
Over (Under) Debt Guideline	40	19	142	143	79	423
Less: Additional Retire/Reissue Debt	(65)	(65)	(65)	(65)	(65)	(325)
Net Over (Under) Debt Guideline	(25)	(46)	77	78	14	98

The 2007 Council Approved Capital Budget includes debt of \$525 million, approximately 37% of the total funding requirement. This debt level exceeds the debt guideline by \$40 million and over the five-year period, by \$423 million. It is noted that \$318 million or 75% of the debt over-target amount is attributed to TTC. However, critical and ongoing analysis of the City's substantive infrastructure has confirmed that this level of spending is essential to achieve the long-term goal of keeping the City's assets in a necessary state of good repair.

Further analysis of the City's debt portfolio revealed that retiring debt will average \$200 million per year during the period 2007-2011. This is \$65 million per annum greater than the debt retirement forecast that was factored into the debt guidelines approved by Council in June of 2006. In effect, the City can borrow an additional \$325 million over the period 2007-2011 without changing the new debt guideline, or impairing the City's favourable credit rating.

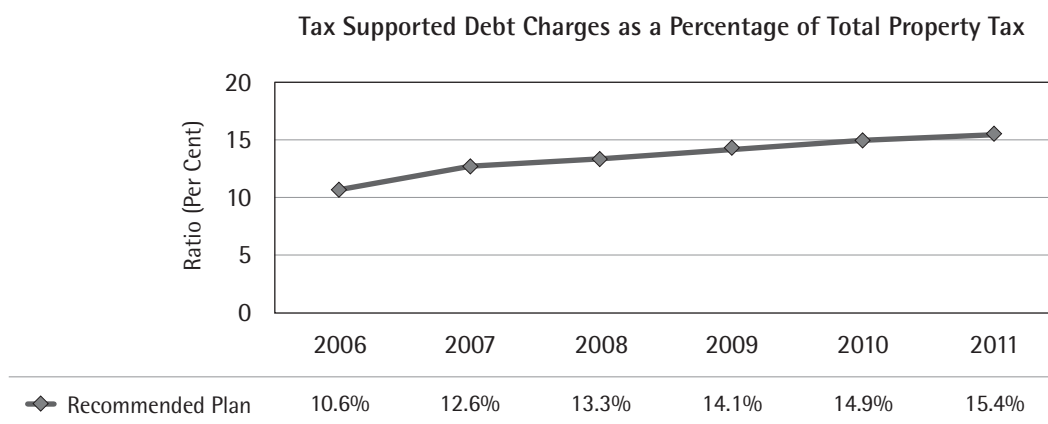
Given significant major maintenance backlog and the increasing demand for new investment in growth and service improvement projects, the additional debt funding of \$325 million discussed above was utilized to meet the increased capital spending needs included in the 2007 Approved Capital Budget and 2008-2011 Capital Plan. Thus, the Approved Five-Year Capital Plan is \$98 million over the adjusted debt guidelines as shown in Table 2. This additional debt will be managed annually during the budget process in order to meet the Council guidelines, and will not negatively impact the City's fiscal position.

Debt Service Ratio

At its meeting of June 27-29, 2006 (Policy and Finance Committee, Report 5, Clause 25) City Council affirmed that the maximum limit of debt service charges as a percentage of total property tax be established at 15 percent as a benchmark for evaluating capital expenditure levels.

The staff report "Capital Financing and Debenture Authorities" which was before City Council at its meeting of March 7, 2007, confirmed that based on projected debt requirements of the Approved Five-Year Capital Plan, the City's debt service ratio will reach the 15% target in 2011 (see Chart 2). The Capital Plan is based on modest tax revenue growth in line with current assessment growth and inflationary rate increases. However, excluded from the Approved Five-Year Capital Plan is the impact of financing the recent Green Lane landfill purchase.

Chart 2



One reason that the Approved Five-Year Capital Plan will exceed the targeted ratio is that it does not incorporate increases in capital from current funding, even though the debt service ratio target was adopted in concert with a capital from current funding strategy that would have increased contributions by \$10 million each year. Unfortunately, these increases have not been affordable for inclusion in the operating budget. This situation is unlikely to change until uploading of income redistributive programs, and/or sharing of growth taxes, is achieved, in accordance with the City's multi-year Strategic Financial Plan. Alternatively, the City would have to cut expenditures by an additional \$100 million from the Approved Five-Year Capital Plan.

The Deputy City Manager & Chief Financial Officer (DCM & CFO) confirms that borrowing \$508 million to finance 2007 capital expenditures (i) can be financed by the issuance of debentures with terms that do not exceed 10 years; and, (ii) is within the City's updated debt and financial obligation limit. The DCM & CFO further confirms that funds are available from the other financing sources.

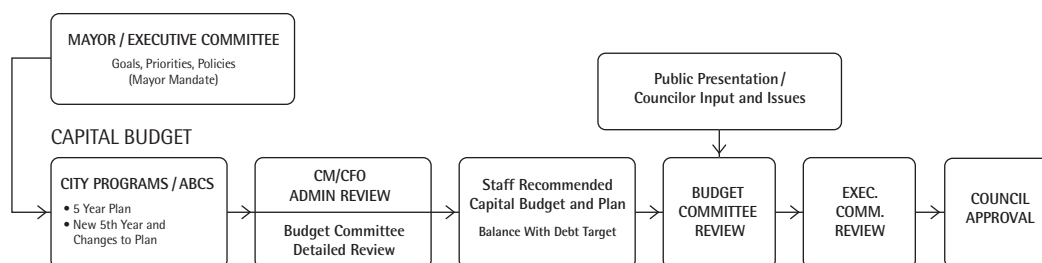
THE 2007 CAPITAL BUDGET PROCESS

Chart 3 below illustrates the 2007 Capital Budget process. This budget process is transitional with the Mayor's directions and guidelines. Key elements of this budget process are highlighted below:

- On behalf of the Executive Committee, the Mayor provided staff with upfront direction to recommend: a balanced capital budget that implements Council's strategic policy agenda by aligning resources to priorities; that is based on sound financial management principles; and meets budgetary targets.
- Prior to finalizing the recommended budget, the Budget Committee performed detailed reviews of individual City Program and ABCs budget to ensure that Executive Committee's guidelines and directions were met.
- The Budget Committee, on behalf of the Executive Committee, held formal meetings to hear public presentations and to receive input from councillors on any issues that may raise, and if warranted, recommended amendments to the staff recommended budget.
- The Budget Committee recommended to the Executive Committee a Five-Year Capital Plan that reflects the strategic alignment of resources to Council priorities; highlights expected results and outcomes; and confirms recommended financial strategies.
- The Executive Committee review of the budget focussed on major fiscal and policy issues and will confirm the budget as a strategic financial plan that will implement Council policies and priorities.
- On behalf of the Executive Committee, the Mayor presented the 2007 Capital Budget and 2008-2011 Capital Plan to City Council.

Chart 3

2007 Capital Budget Process



Beginning with the 2008 Budget process, Standing Committees will, early in the year, review City Program and ABC service plans, assess service issues and outcomes to determine service priorities and service levels that will be recommended to Executive Committee in advance of the budget process. As well, public

consultation will be held upfront to ensure that priorities reflect the needs and expectation of the citizens of Toronto.

In June 2006, Council approved in principle the 2007-2010 Capital Plan. This plan fulfilled the need for a long-term financial planning perspective, and also developed a five-year capital plan in accordance with directions toward more strategic financial management and decision making. The 2007 Approved Capital Budget and 2008-2011 Capital Plan (the "Capital Plan") were approved by Council, where warranted, made changes that reflect m **This page was intentionally left blank for printing purposes.**

To ensure the integrity of the Approved Five-Year Capital Plan, projects have been firmly placed in the year in which they will be implemented or developed, and the funding requirements must not change without approval. Some flexibility is provided by enabling acceleration or deferral of projects but only with the approval of Council. Furthermore, it must be ensured that any change in funding associated with acceleration or deferral of a project in any year, must be fully offset by shifting another project or projects with equal value.

City Manager and Deputy City Manager & Chief Financial Officer (CM and DCM & CFO) Review

To ensure compliance with capital and financial policies, Council guidelines and direction, and achievement of debt targets, the CM and DCM & CFO reviewed the capital plan submissions from City Programs and ABCs and recommended a balanced Five-Year Capital Plan to the Budget Committee. The CM and DCM & CFO reviews focused on the following:

- the extent to which assigned targets were met
- whether the capital plans achieved the objective of maintaining existing assets in a state of good repair while ensuring that reasonable service improvement and growth demands that achieve Council's priorities were addressed
- the impact on SOGR backlog and risks associated with the delayed maintenance of the City's aging infrastructure
- Major assumptions and rationale used to determine whether projects included in the capital plan were based on existing Council commitments, needs analysis, effective scheduling and ability to spend.
- the extent to which projects included in the capital plan were ready to proceed
- the degree to which cost shared partnerships had been explored in order to leverage capital program spending
- major challenges or impairment to achieving services and/or service levels

In general, City Programs and ABCs exercised due diligence in developing their capital plan. Despite major capital spending needs, most achieved their debt and CFC targets, and, where necessary, invested in service improvement and expansion projects in order to satisfy growth demands without compromising health and safety. Nonetheless, some challenges continue to exist: SOGR backlog will increase by about \$300 million from 2007 to 2011; there continues to be unmet service improvement needs; and the Solid Waste Management Diversion Strategy is expected to introduce additional funding pressures.

CAPITAL BUDGET POLICIES

Carry-Forward Funding for Previously Approved Projects

A capital carry-forward project is a previously approved project for instances where the desired outcome has not been achieved or when capital work was not completed on schedule. As a result, the associated cash flow budget was not fully spent in the year of approval and the unspent amount, or a portion thereof, is required in future years to complete the project. Key elements of the carry-forward policy include:

- Cash flow funding approval will continue to exist for one fiscal year in addition to the year in which the project/sub-project was approved. In effect, City Programs and ABCs will be allowed to carry-forward unspent funds for capital projects/sub-projects for a period of one year subsequent to the year of original approval.
- Carry-forward funding requests for projects approved in the previous fiscal year will not form part of the budget year debt affordability targets. However, Council approval to carry forward the unspent amount must be obtained in order to establish spending authority.
- Where a project is not completed and approved funds are still not fully spent by the end of the second fiscal year, any carry-forward funding request will be treated as new and any further spending/funding request will form part of that year's debt affordability targets.
- Change in cash flows and/or project costs related to Change in Scope projects will not constitute carry-forward funding, under the premises of the policy. Change in Scope projects are to be considered new capital projects requiring new funding authority.
- During the capital budget process, City Programs and ABCs will conduct a complete review of all previously approved projects to determine their completion status. Projects that will not be completed by the end of the current fiscal year should be identified for carry-forward spending approval in the next fiscal year; and
- On a project/sub-project basis, the carry-forward cash flow amount will not exceed the difference between the actual expenditures and the approved cash flow. Carry-forward requests included in the capital budget submissions are initially based on projected actuals. Therefore, during the capital budget review process, and again as part of the First Quarter Capital Variance Report of the budget year, City Programs and ABCs will be permitted to update their carry-forward requirements.

Capital Expenditure and Financing Principles

Capital Expenditures Defined

For the City of Toronto, capital expenditures generally include any expenditure on an asset which has been acquired, constructed or developed with the intention of being used on a continuous basis beyond the current budget year. Capital expenditures also include improvements, the purpose of which is to alter or modernize an asset in order to substantially prolong its useful life or improve its physical output or service capacity. Capital expenditures are included in the capital budget and are financed from various sources of capital funds.

The City relies on a number of sources to fund its capital expenditures. These include reserves and reserve funds, provincial and federal grants, development charges, capital from current funding (or pay-as-you-go financing), debt and other funding sources not listed above, such as donations.

Guiding principles influencing the selection of funding sources for specific capital projects include the Equity principle, which is aimed at ensuring that direct beneficiaries or consumers of a capital asset or service pay for it. In effect, if a project provides benefits to a specific group, then that group is made to pay for the development and related capital costs through user fee development charges. Projects that benefit the entire community are appropriately funded from property tax revenues such as Capital from Current (CFC) funding.

The effective financing principle focuses on ensuring that sufficient funds are available when needed to proceed with a capital project. This principle recognizes that required funds are not always available from the operating budget to pay for capital projects. Therefore, the City must rely on other funding sources to generate the benefits required by its constituents such as debt and reserve and reserve funds.

In selecting amongst available funding sources, the City imputes the cost of borrowing along with other administrative costs associated with competing funding options. It also examines the impact of funding options on the operating budget with a view toward ensuring, in accordance with the efficiency principle, that the most cost effective funding source is utilized.

Annually, the City undertakes an affordability analysis to determine the amount of capital funds available for the capital budget and plan. This review assesses the amount of non-debt funds available, and the amount of debt that the City can afford based on its long-term fiscal plan, general state of its assets, and infrastructure expansion requirements to meet growing demands for services. Factors influencing the debt affordability determination include the cost of borrowing, policies on debenture/long term borrowing, the outstanding debt, the impact on credit ratings, and the impact of borrowing on the current account or operating budget.

Financing Sources

Funding sources of a particular sub-project are explored and properly identified prior to considering debenture financing.

Budgeting for Land Acquisition Costs

Every proposed capital sub-project requiring the acquisition of land shall be accompanied by a separate cost estimate for the real estate acquisition portion of the sub-project.

Every proposed capital sub-project requiring the assignment of City owned land shall be accompanied by a valuation of the opportunity cost of that land according to the procedures of the Property Management Committee.

Debt to be Used Only for Capital Financing

The City is not authorized by legislation and will not issue debt obligations or use debt proceeds to finance current operations. The City will utilize debt for the acquisition, construction, renovation, repair or remodeling of capital works where the project cannot be funded from current operating revenues or other sources and where the Deputy City Manager and Chief Financial Officer considers it to be prudent to finance the project over the useful life of the asset.

Capital From Current (CFC) Funding

If economically feasible and determined to be affordable, Council will allocate funds from its operating budget to be contributed to funding capital expenditures on an annual basis which will reduce the required financing for capital expenditures.

Debt Limits

The annual costs associated with debt financing shall not exceed 15% of the tax levy and the City's total direct obligation debt shall not exceed \$3.5 billion over the term of Council, ending in November, 2010. The City shall finance, from time to time, capital works that the City considers necessary or desirable for the public, as included in its Five-Year Capital Plan, in accordance with applicable Generally Accepted Accounting Principles (GAAP) for local governments as recommended by the Canadian Institute of Chartered Accountants (CICA). The budgeted debt charges incurred due to debt issuance will be included in the annual operating budget.

The limit is subject to various factors such as the debt requirements contained in the capital budget, new projects that may not be contained in the approved capital budget but arise through unforeseen events, spending rates that affect capital project completion, the amount of unfinanced capital and capital market conditions such as the level of interest rates.

Short-term Borrowing

It is the City's practice to temporarily finance its capital expenditures from working capital until it is permanently financed, there are occasions when the City must borrow funds to finance these obligations on a short-term basis.

2007 APPROVED CAPITAL BUDGET AND 2008–2011 CAPITAL PLAN

The 2007 Council Approved Capital Budget and 2008-2011 Capital Plan satisfied the Mayor's guidelines and Council's policy agenda. It gave priority to projects that protect the health and safety of citizens, are legislated requirements, and those that maintain the City's infrastructure and capital assets in a State of Good Repair (SOGR). Balancing the capital spending demands of maintaining the City's massive and aging infrastructure against the growing demand for new investments to achieve emergent priorities was a challenge. However, the 2007 Approved Capital Budget and 2008-2011 Capital Plan strategically addresses these competing demands.

The 2007 Approved Capital Budget and 2008-2011 Plan achieves the following objectives:

- It focuses spending on maintaining and protecting the City's infrastructure in order to ensure that services demanded by the citizens of Toronto are delivered;
- It slows down the rate of growth of the SOGR backlog or deferred maintenance challenge. This Five-Year Capital Plan discloses that, due to the fiscal imbalance, the City is facing an infrastructure maintenance deficit that is impairing its ability to achieve its state of good repair goal;
- It aligns new investments to the Mayor's mandate and Council's policy agenda, and despite demands for SOGR spending, this capital budget and plan includes strategic spending on key priorities, such as

making a safe city safer, building a clean, green and beautiful waterfront, and making Toronto a transit city; and,

- With recommended adjustments, it meets Council approved 2007-2011 affordable debt and capital from current (CFC) guidelines.

The 2007 Approved Capital Budget and 2008-2011 Capital Plan, excluding rate supported, total \$6.702 billion as shown in Table 3. Of this amount, \$3.444 billion or 51% is allotted to the Toronto Transit Commission.

Table 3
2007 TAX SUPPORTED CAPITAL BUDGET AND 2008-2011 CAPITAL PLAN
Commitments and Estimates (in \$000)

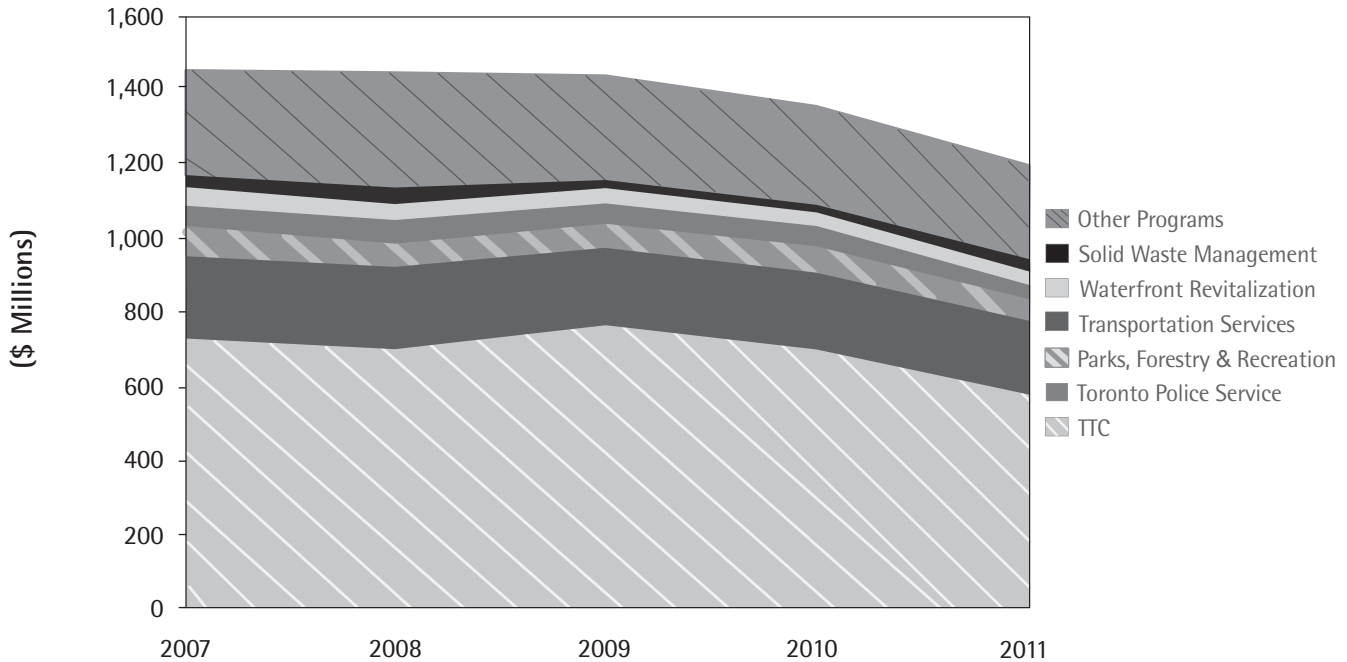
	Approved 2006	2007 Budget	Capital Plan					2007-2011
			2008	2009	2010	2011	2008-2011	
Citizen Centred Services "A"	111,970	115,647	97,102	94,739	92,283	79,269	363,393	479,040
Citizen Centred Services "B"	329,953	335,707	344,068	281,999	281,863	284,727	1,192,657	1,528,364
Internal Services	123,728	116,560	107,366	100,657	98,943	89,947	396,913	513,473
Other City Programs	22,982	22,358	22,463	10,839	9,513	7,546	50,361	72,719
Other Corporate Priorities		11,561	6,972	28,418	28,000	13,498	76,888	88,449
Agencies Boards & Commissions – Excl. TTC	109,142	113,181	126,864	111,412	115,159	109,524	462,959	576,140
Total Tax Supported Programs (Excl. Transit & TPA)	697,775	715,014	704,835	628,064	625,761	584,511	2,543,171	3,258,185
Toronto Transit Commission	552,435	717,304	696,413	764,664	694,171	571,490	2,726,738	3,444,042
Total Tax Supported Programs (Incl. Transit & TPA)	1,250,210	1,432,318	1,401,248	1,392,728	1,319,932	1,156,001	5,269,909	6,702,227
Toronto Parking Authority	33,796	17,681	35,934	26,350	27,100	27,000	116,384	134,065
Toronto Water	317,570	346,376	472,201	543,526	602,300	668,289	2,286,316	2,632,692
Total Rate Supported Programs	351,366	364,057	508,135	569,876	629,400	695,289	2,402,700	2,766,757
Total City	1,601,576	1,796,375	1,909,383	1,962,604	1,949,332	1,851,290	7,672,609	9,468,984

Chart 4 graphically illustrates the recommended allocations to major City Programs over the term of the capital budget and plan. Quite evident is the significant investment being made in transit consistently over the term of the Capital Plan.

Chart 4

Five-Year Approved Capital Plan

51% Allocated to TTC



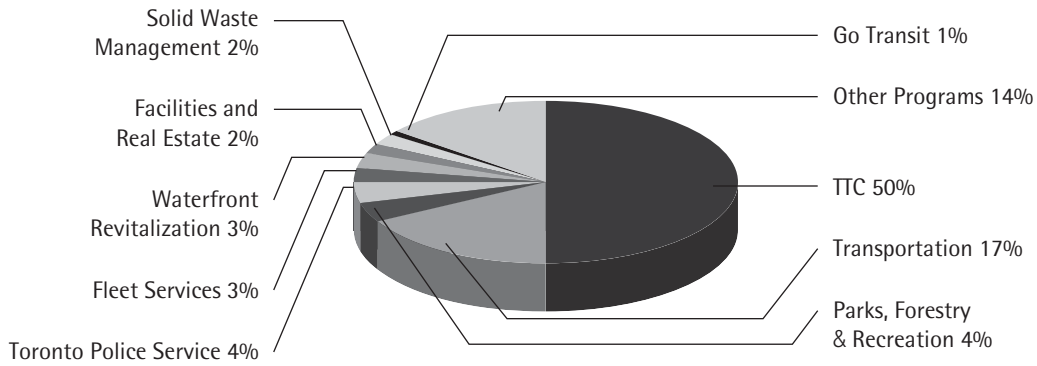
Transportation Services is the second largest capital program. In total, \$1.117 billion representing approximately 17% of the total Capital Plan is allocated to this Program. Together, TTC and Transportation Services make up well over two-thirds of the 2007 Council Approved Budget and 2008-2011 Capital Plan. The 2007 Council Approved Capital Budget and 2008-2011 Capital Plan for Toronto Water totals \$2.633 billion and the Toronto Parking Authority totals \$134.065 million (see Table 3).

2007 TAX SUPPORTED CAPITAL BUDGET BY MAJOR PROGRAM

Chart 5 illustrates the 2007 Approved Council Capital Budget of \$1.432 billion by major City Program and ABC. Note the similarity between the five-year allocation above and the 2007 Approved Capital Budget, wherein TTC represents 50% or \$717.304 million of the total 2007 Approved Capital Budget excluding Rate Supported Programs, followed by the 17% allocated to Transportation Services.

Chart 5

**2007 Council Approved Capital Budget Excluding Rate Supported Programs
By Major City Programs and ABCs**

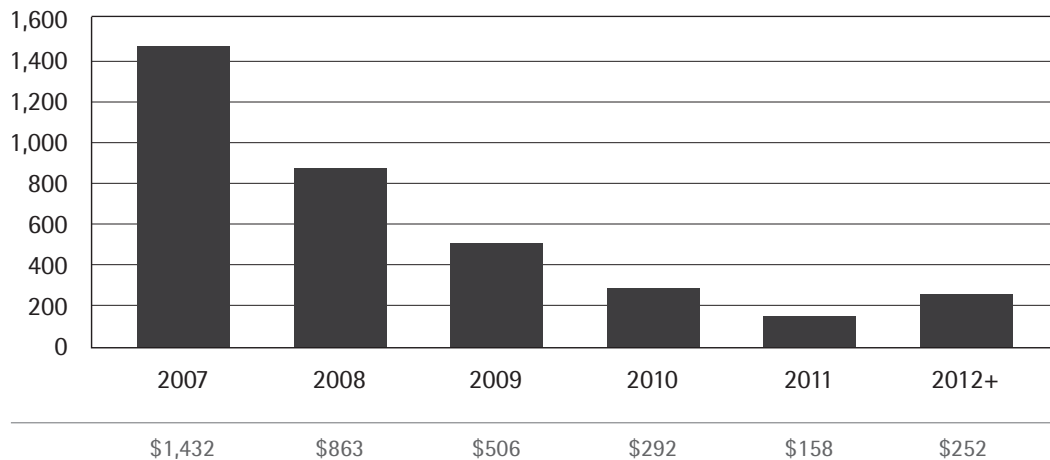


2007 APPROVED CAPITAL BUDGET AND FUTURE YEAR COMMITMENTS

As outlined in Chart 6 below, approval of the 2007 Approved Capital Budget will require the following total cash flow (excluding 2006 carry-forward projects) for 2007 and associated future year commitments: \$1.432 billion in 2007; \$877.920 million in 2008; \$494.784 million in 2009; \$298.180 million in 2010; \$162.745 million in 2011 and \$252.262 million in 2012 and beyond, for a total of \$3.518 billion.

Chart 6

**2007 Council Approved Capital Budget & Future Year Commitments
Excludes Rate Supported & 2006 Carry Forward (\$3.504 Billion)**



2007 APPROVED CAPITAL BUDGET INCLUDING CARRY-FORWARD FUNDING

In accordance with the City's Carry-Forward Funding Policy, financing to continue work on 2006 projects that were not completed as planned has been approved by Council and is included in the 2007 approved cash flow. The key elements of this policy are as follows:

A capital carry forward project is a previously approved project for which the desired outcome has not been achieved or capital work was not completed on schedule and the associated cash flow budget was not fully spent in the year of approval and the unspent amount, or a portion thereof, is required in future years to complete the project.

Cash flow funding approval will continue to exist for one fiscal year in addition to the year in which the project/sub-project was approved. In effect, City Programs and ABCs will be allowed to carry forward unspent funds for capital projects/sub-projects for a period of one year subsequent to the year of original approval, after which they become part of the debt target.

Cash flow requirements for 2006 capital projects that were not completed as planned and for which work must continue in 2007 totals \$289 million. In summary, the 2007 approved cash flow totalling \$1.721 billion is comprised of the following: 2006 Carry Forward projects of \$289 million; New and Change in Scope projects of \$541 million; and, Previously Approved projects of \$891 million (see Table 4).

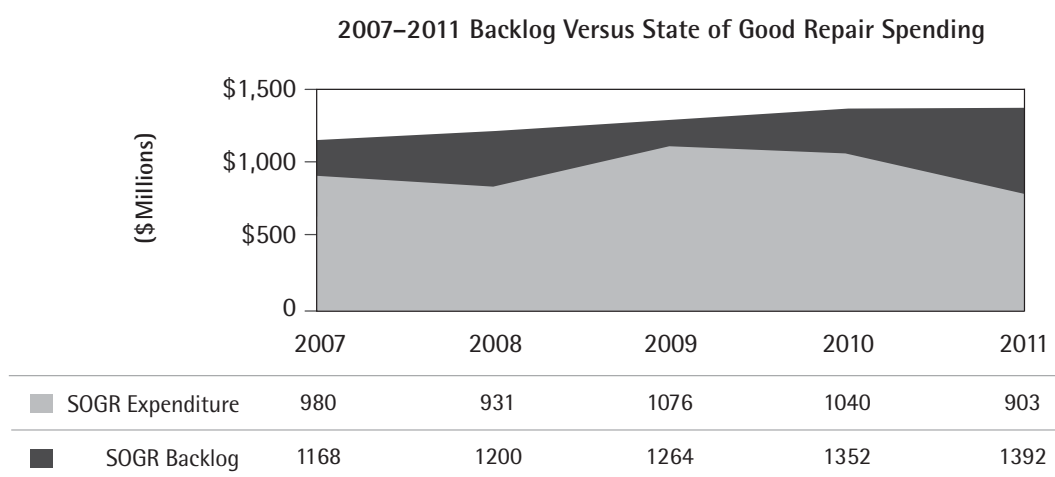
Table 4
2007 Approved Cash Flow
Including 2006 Carry-Forward Funding (\$Millions)

Programs/ABCs	2006 Council Approved Cash Flow	2007 Rec'd Cash Flow				Total 2007 Cash Flow
		2006 Carry Forward Funding	2007 Capital Budget		2007 Capital Budget	
			New and Change in Scope	Previously Approved Projects		
City Operations	722	256	345	257	602	858
Special Purpose Bodies – before Transit & TPA	108	33	57	33	90	123
Tax Supported Program Before Transit & TPA	830	289	402	290	692	981
Toronto Transit Commission	553		116	601	717	717
GO Transit	20		20		20	20
Toronto Port Authority	3		3		3	3
Total – Transit & TPA	576	–	139	601	740	740
Total – Tax Supported Program	1,406	289	541	891	1,432	1,721

State of Good Repair Backlog

A major objective of the 2007 Approved Capital Budget and 2008-2011 Capital Plan is to mitigate any significant increase in state of good repair backlog. However, despite substantive investments on projects that maintain and renew the City's infrastructure, the accumulated infrastructure maintenance backlog continues to grow, albeit at a slower rate than in the past. As evident in Chart 7 below, SOGR spending averages \$1 billion per annum during the five years 2007-2011. However, during that same period SOGR backlog will increase by \$224 million (from \$1.168 billion in 2007 to \$1.392 billion at the end of 2011).

Chart 7



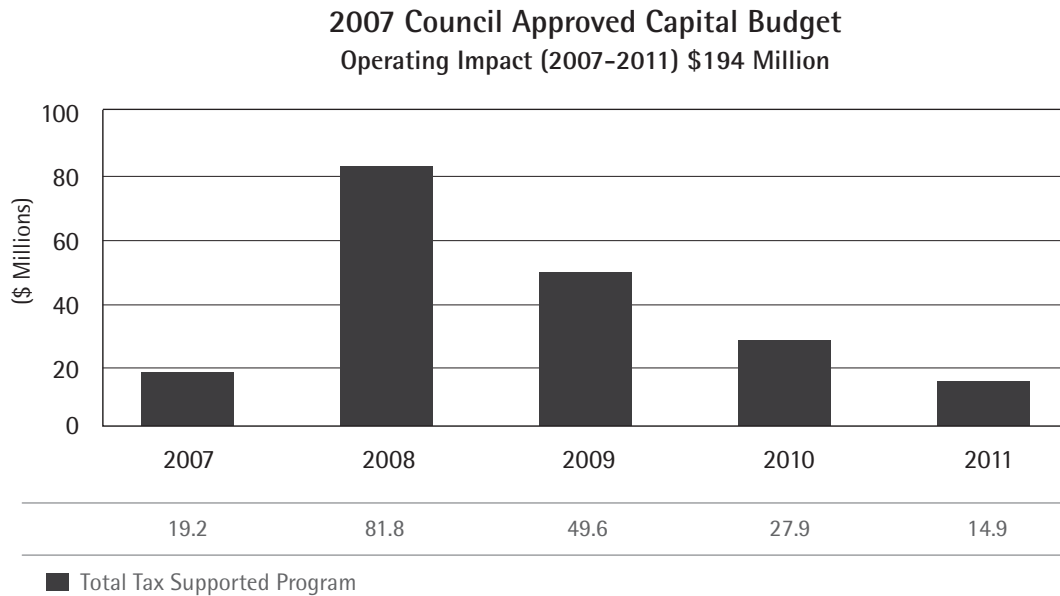
Incremental Impact on the City's Operating Budget

The operating impact of capital projects is identified as part of the capital budget development and review process. Prior to recommending a capital project for Council approval, any incremental cost impact on the operating budget over the life of each project is evaluated. The objective of this evaluation is to ensure that operating cost increases associated with the capital budget and plan is affordable, and to factor these cost increases in the annual operating budget and multi-year forecasts. Operating impacts include:

- i. Principal repayment and/or interest payments on debt issued to finance the capital program;
- ii. Increased operating costs such as those required for new or expanded facilities;
- iii. Efficiency savings from investments that reduce operating costs; and,
- iv. Direct contributions to capital from the operating fund which reduce the annual borrowing requirements.

The incremental impact (including debt service charges) of the 2007 Approved Capital Budget on the Operating Budget during the period 2007-2011 totals \$193.413 million. Annual impacts range from a high of \$81.789 million in 2008 to a low of \$14.87 million in 2011. Program costs will be included in the operating budget of individual City Programs and ABCs and are driven mainly by the TTC operating impacts. Debt service costs will be included in the City's Capital and Corporate Financing accounts in the Non-Program Budget.

Chart 8



Toronto Water

On February 5-8, 2007 City Council approved the 2007 Capital Budget and 2008-2011 Capital Plan – 2016 Capital Budget for Toronto Water with 2007 cash flow of \$346.376 million. A total amount of \$248.23 million or 72% has been dedicated to maintaining existing assets, that is, projects categorized as State of Good Repair. This trend will remain consistent over the Approved Five-Year Capital Plan. The Toronto Water capital budget is self-sustaining with no debenture financing and does not impact the municipal property tax levy.

The Approved Five-Year Capital Plan is aligned with the following Mayor's Mandates:

- Implementation of a ravine improvement team that will clean, beautify and improve access and stewardship to Toronto's ravines;
- Help to clean up Lake Ontario to make Toronto's beaches more swimmable;
- Implement the recently approved Toronto green building standard to ensure ecologically friendly buildings; and,
- Develop a comprehensive Climate Change Plan to cut greenhouse gas emissions to help combat global warming.

Environmental assessments and pre-design studies that are currently underway will provide the operating budget impacts over the five years.

2007 APPROVED CAPITAL BUDGET HIGHLIGHTS

Following are highlights of projects included in the 2007 Approved Capital Budget. These projects are listed under key themes, with indication of the project deliverable/outcome, delivery date, project cost and 2007 cash flow.

Public Spaces

Investment in public spaces is crucial to ensuring that parks, streets, squares and other shared common spaces are well designed, developed and maintained, clean and beautiful for the general betterment and wellness of the community. The 2007 Approved Capital Budget includes significant investments in common spaces by including projects that will:

- Begin revitalization of Nathan Phillips Square (2007 cash flow of \$1.55 million which represents the start of a \$16 million project);
- Construct a south entrance to Union Station and undertake environmental assessments for the creation of a northwest PATH (project totals \$6.428 million; 2007 cash flow \$3.334 million);
- Start development of mixed-use, transit-friendly communities East Bayfront and West Donlands plus parks on the Waterfront (\$44.31 million);
- Green the Parkland portion of Wychwood Barns site (\$1.515 million);
- Complete Year 2 of the \$3 million project to restore the St. Lawrence Centre for the Arts façade and interior (\$1.065 million);
- Remediate the Don Valley Brickworks site to support the Evergreen Development (\$0.880 million);
- Continue restoration work of Casa Loma exterior, 2007 phase (\$4.113 million);
- Continue the Todmorden Museum and Arts Centre Restoration, 2007 (\$0.38 million);
- Improve Public Spaces in Business Improvement Areas across the City (\$5.01 million); and,
- Begin Bloor Street transformation road and pedestrian improvements from Church to Avenue Road.

Environment

City Council has recognized the need to spend on projects that would set the stage for environmental improvement, while achieving the City's infrastructure maintenance and development objectives. The 2007 Approved Capital Budget invested in projects that will:

- Convert conventional cooling at Old City Hall to Deep Lake Water Cooling System (project costs \$3.270 million; 2007 cash flow \$0.545 million);
- Continue carbon dioxide and energy reduction projects for City Arenas, Fire Stations, Pools, Community Centres and Solid Waste Transfer Stations and Police Service Buildings (2007 cash flow \$7.103 million for completion of Phase 1, approved at a total cost of \$20 million, and start up of the Phase 2 projects approved at a total cost of \$9 million);
- Continue its Green Fleet Initiative to lower emissions and save fuel, using innovative greener technology (project costs \$0.42 million; 2007 cash flow \$0.42 million – ongoing program);
- Introduce traffic calming measures and bicycle lanes on various streets throughout the City (\$3 million);
- Begin the purchase of new larger recycling carts for City households, begin the plan to create a network of new Reuse Centres; and continue Environmental Assessment looking at options to divert Source Separated Organics (SSO), and waste left over after diversion (\$13.5 million); and,

- Continue Parks, Forestry & Recreation Bike Plan development in trails and parkland, including the CP PS Right of Way (\$2.435 million).

Improved Public Service

One of the Mayor's goals is to work with people – to get results for people. To provide residents with direct and simple access to City staff and services, the Capital Budget and Plan included projects that will:

- Begin to implement 3-1-1 technology to give citizens one number to contact the City for general information or to request non-emergency City services (2007 cash flow \$11.311M; this represents funding for work on several functional components of this Program which was approved at a total project cost of \$26.912 million);
- Provide continuity in the City's ability to operate (data centre, systems) should a disaster strike (\$1.1 million);
- Improve the City's website to make it more user-friendly (project costs \$3.506 million; 2007 cash flow \$1.123 million);
- Complete a new on-line licensing system that allows the public to initiate and renew their animal licenses/registrations each year over the web and pay by credit card (\$0.364 million); and,
- Develop new external web based system for clients and community partners to access the Ontario Works program (\$1.2 million).

Community and Recreation Services

The City offers programs and services that improve the quality of life of all its citizens, and ensures opportunity for all. To contribute to the Community and Services goals the 2007 Approved Capital Budget and 2008–2011 Plan included projects that will:

- Increase SOGR funding for Homes for the Aged facilities to ensure a safe and comfortable living environment is provided for long-term care residents (\$10.8 million);
- Begin construction of the expanded facilities in the Thorncliffe Park Neighbourhood as follows: \$2.5 million library expansion (\$0.734 million); \$1.849 million Child Care Centre (\$1.223 million); and, \$4.25 million Jenner Jean-Marie Community Centre expansion (\$1.45 million);
- Begin construction totalling \$10.868 million to add 132 new and replacement shelter beds: replacement of Eva's Youth Shelter (32 beds) (\$2.87 million), the new Bethlehem United Shelter (60 beds) (\$3.215 million) and the relocation of 110 Edward Street Shelter and Referral Centre (40 beds) (\$5.501 million);
- Implement a new national Public Health Surveillance and Management System to maintain public immunization records and other public health information (\$2.5 million);
- Continue the previously approved renovation projects to expand both the Jane/Sheppard Neighbourhood (\$0.638 million) and Bloor/Gladstone District (\$1.847 million) libraries;
- Upgrade Flemington Park to include 2 new junior soccer and 12 children mini soccer pitches; rebuild two ball diamonds and cricket pitches; and park improvements for completion in 2007 and 2008 (\$1.6 million); and,
- Add 4 new waterplay/splash pad projects, three of which are in a Priority Neighbourhood (\$1.76 million).

Public Works & Infrastructure

The City has a massive and aging infrastructure which has to be managed effectively to ensure that the services required by its citizens continue to be provided. The 2007 Approved Capital Budget contributes to an effective road network to support delivery of an expansive transportation program; the management of solid waste in an environmentally friendly manner and the general provision of core municipal services. The 2007 Approved Capital funding will:

- Maintain 124 kms of roads, rehabilitate 16 bridges and structures in a safe and hazard-free state and minimize life cycle costs of the assets. (\$127.264 million);
- Increase transportation service, safety and capacity – by replacing streetcar track, the North Yonge Centre Service Road, St. Clair Ave. West and the Simcoe Street Underpass (\$75.225 million);
- Complete Morningside Avenue/Finch Avenue East grade separation to improve safety and reduce delays to traffic at the railway crossing. (\$12.959 million); and,
- Construct an underpass to eliminate the Dufferin Street Jog creating a regular intersection to facilitate existing and future area traffic operations (\$12.941 million).

Public Safety and Emergency Services

Quality and effective emergency services and public safety is a major demand of the citizens of Toronto. The 2007 Approved Capital Budget includes projects that will:

- Improve public security at Union Station – this project will be 75% funded by the Federal Government (project costs \$5.707 million; 2007 cash flow \$3.995 million);
- Complete a new fire station on Sheppard between Leslie/Bayview to provide improved service and response time in this area (\$2.586 million);
- Begin construction of the new Police training facility in 2007 (\$25.929 million), with construction to be completed in 2009 (\$76.0 million);
- Purchase land and start design in 2007 to provide 14 Division with a new police station by 2010 (\$6.264 million);
- Identify/purchase land in 2007 to provide 11 Division with a new police station by 2011 (\$5.5 million); and,
- Begin planning to replace radio communication between Emergency Medical Services, Police Services, and Fire Services (\$0.25 million).

Transit

A major priority of the Mayor is to make Toronto a city that moves people by transit. The goal to have a comprehensive network of dedicated transit routes that move people quickly, efficiently and affordably through all parts of the city is addressed by projects that will:

- Begin design work for the purchase of 204 low floor accessible Light Rail Vehicles to replace existing streetcar fleet plus 21 growth cars with delivery to start in 2010 (\$0.60 million);
- Deliver 220 new replacement buses plus 100 buses for expanded service – Ridership Growth Strategy (\$222.054 million) for a total of 1225 new buses to be purchased by 2016;
- Purchase 234 new subway cars (39 train sets) to replace existing subway cars which will also increase capacity by 8% (\$ 103.676 million);

- Start development of an interregional bus terminal which will be shared with GO Transit and Mississauga Transit (\$9.844 million);
- Complete the Mount Dennis 250-bus garage in the fall of 2007 to house added TTC fleet (\$30.842 million);
- Continue St. Clair West dedicated transit way, to be completed in 2008 (\$19.805 million);
- Begin development of two Bus Rapid Transit ways (BRTs): one from Downsview to York University; the other via Yonge Street from Finch Station to Steeles Avenue (\$8.614 million);
- Make York Mills, St. Clair and Lawrence West subway stations accessible (\$8.330 million);
- Replace more than 30,000 double track feet of surface rail with a focus on Fleet Street, Dundas Street West, Queensway at Bloor and Oakwood loops (\$44.541 million); and,
- Install state-of-the-art signalling systems on the Yonge-University-Spadina subway line and safety upgrades (\$64.724 million).

SUMMARY/CONCLUSION

The 2007 Approved Capital Budget and 2008-2011 Capital Plan sets the foundation for implementing the Mayor's vision and mandate, and Council's policy agenda. It addresses the City's health and safety, legislated, and state of good repair capital spending needs while recognizing existing fiscal challenges. This is evidenced by the fact that, of the 2007 Approved Capital Budget of \$1.432 billion, 75% or \$1.075 billion is targeted to these three categories of projects. The amount dedicated to these project categories is \$5.344 billion or 80% of the total Five-Year Capital Plan of \$6.702 billion. While priority has been placed on maintaining the City's infrastructure, the Capital Plan also provides for growth in strategic areas and for service expansion in key Program areas to accommodate service demands and expectations of the public. Included in the Approved Five-Year Capital Plan are investments in projects that will contribute to the Mayor's priorities of making Toronto safer, a clean, green and beautiful city, and transit strategic directions in accordance with Council's Official Plan.

2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and Future Year Commitments – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources						
		2007	2008	2009	2010	2011	2012 to 2016	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Federal Subsidy	Other	Debt/Internal Sources
Citizen Centred Services - A														
Children's Services	10,404	8,278	1,626	500	0	0	0	5,950	0	0	3,454	0	0	1,000
Court Services	6,800	3,100	3,275	425	0	0	0	0	0	0	6,800	0	0	0
Economic Development, Culture and Tourism	16,687	14,188	2,499	0	0	0	0	0	0	0	2,800	0	3,342	10,545
Emergency Medical Services	12,990	5,772	4,942	1,926	350	0	0	944	0	1,030	0	0	450	10,566
Homes for the Aged	9,000	9,000	0	0	0	0	0	0	0	0	7,600	0	0	1,400
Parks, Forestry & Recreation	76,182	60,854	12,547	2,781	0	0	0	500	6,506	0	20,998	0	9,584	38,594
Shelter, Support & Housing Administration	17,784	12,755	3,329	1,700	0	0	0	0	183	0	0	100	9,347	8,154
Social Services	4,700	1,700	1,300	800	900	0	0	0	0	0	0	0	4,700	0
3-1-1 Customer Service Strategy	18,451	11,311	6,722	418	0	0	0	0	0	0	0	0	0	18,451
Sub-Total	154,547	115,647	29,518	8,132	1,250	0	0	7,394	6,564	1,030	41,652	100	24,995	72,812
Citizen Centred Services - B														
City Planning	8,449	7,298	1,151	0	0	0	0	0	1,781	0	0	0	2,555	4,113
Policy, Planning, Finance and Administration	8,126	5,447	2,605	0	0	0	74	0	0	0	0	0	3,526	4,600
Fire Services	9,600	6,329	2,271	1,000	0	0	0	0	1,075	0	0	203	0	8,322
Solid Waste Management	70,712	26,190	22,545	1,263	2,500	18,214	0	0	0	338	6,585	0	0	63,789
Transportation Services	330,233	246,133	80,320	3,780	0	0	0	0	30,520	0	927	0	73,102	225,684
Waterfront Revitalization Initiative	426,090	44,310	51,131	30,354	26,016	25,800	248,479	0	0	0	426,090	0	0	0
Sub-Total	853,210	335,707	160,023	36,397	28,516	44,014	248,553	0	33,376	338	433,602	203	79,183	306,508
Internal Services														
Facilities and Real Estate	77,566	32,518	23,492	8,953	5,332	3,562	3,709	0	696	0	0	0	4,951	71,919
Financial Services	16,190	6,755	5,970	2,815	650	0	0	0	400	1,840	88	0	4,297	9,565
Fleet Services	59,775	49,425	10,350	0	0	0	0	0	0	59,775	0	0	0	0
Information Technology - Development	37,821	14,460	11,016	5,559	2,726	4,060	0	0	0	12,687	0	0	971	24,163
Information Technology - Sustainment	13,402	13,402	0	0	0	0	0	0	0	13,402	0	0	0	0
Sub-Total	204,754	116,560	50,828	17,327	8,708	7,622	3,709	0	1,096	87,704	88	0	10,219	105,647
Other City Programs														
City Clerk's Office	6,800	4,280	2,260	68	62	130	0	0	0	830	0	0	0	5,970
Energy Retrofit Program	14,103	7,103	5,000	2,000	0	0	0	0	0	0	0	0	14,103	0
Nathan Phillips Square	1,550	1,550	0	0	0	0	0	0	0	0	0	0	0	1,550
Radio Replacement Project	500	250	250	0	0	0	0	0	0	0	0	0	0	500
Union Station	18,477	9,425	8,093	731	228	0	0	0	0	0	0	0	7,494	10,983
Yonge-Dundas Square	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	59,881	33,919	22,325	3,217	290	130	0	0	0	830	0	0	21,597	37,454
Total City Operations	1,272,392	601,833	262,694	65,073	38,764	51,766	252,262	7,394	41,036	89,902	475,342	303	135,994	522,421

2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and Future Year Commitments – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources						
		2007	2008	2009	2010	2011	2012 to 2016	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Federal Subsidy	Other	Debt/Internal Sources
Special Purpose Bodies & Other														
Exhibition Place	6,725	5,100	1,625	0	0	0	0	0	0	0	0	0	300	6,425
Toronto And Region Conservation Authority	5,992	5,992	0	0	0	0	0	0	0	0	0	0	3,270	2,722
Toronto Parking Enforcement Unit	434	434	0	0	0	0	0	0	0	434	0	0	0	0
Toronto Police Service	132,233	51,115	48,365	16,297	11,939	4,517	0	0	0	10,249	3,000	0	9,832	109,152
Toronto Public Health	8,740	3,943	2,797	1,436	564	0	0	0	0	0	0	0	480	8,260
Toronto Public Library	47,076	15,407	15,450	13,939	2,280	0	0	0	7,006	0	243	0	6,243	33,584
Toronto Zoo	11,512	8,190	3,322	0	0	0	0	0	0	0	0	0	2,000	9,512
Special Purpose Bodies & Other Total	212,712	90,181	71,559	31,672	14,783	4,517	0	0	7,006	10,683	3,243	0	22,125	169,655
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. Transit & TPA)	1,485,104	692,014	334,253	96,745	53,547	56,283	252,262	7,394	48,042	100,585	478,585	303	158,119	678,041
Transit & TPA														
GO Transit	20,000	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000
Toronto Port Authority	3,000	3,000	0	0	0	0	0	0	0	0	0	0	385	2,615
Toronto Transit Commission	2,010,005	717,304	543,667	398,039	244,533	106,462	0	564,510	4,720	0	40,500	782,882	71,606	545,787
Total Transit	2,033,005	740,304	543,667	398,039	244,533	106,462	0	507,293	4,009	0	0	739,416	120,585	661,702
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. Transit & TPA)	3,518,109	1,432,318	877,920	494,784	298,080	162,745	252,262	571,904	52,762	100,585	519,085	783,185	230,110	1,260,478
RATE SUPPORTED PROGRAM														
Toronto Parking Authority	34,164	17,681	16,483	0	0	0	0	0	0	0	1,200	0	32,964	0
Toronto Water	843,735	346,376	226,399	128,528	88,551	53,881	0	0	40,145	0	748,363	0	55,227	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	877,899	364,057	242,882	128,528	88,551	53,881	0	0	40,145	0	749,563	0	88,191	0
TOTAL CAPITAL PROGRAM	4,396,608	1,796,375	1,120,802	623,312	386,631	216,626	252,262	571,904	92,907	100,585	1,268,648	783,185	318,301	1,260,478

2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and 2008-2016 Capital Plan and Forecast – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources							
		2007	2008	2009	2010	2011	2012 to 2016	Prov. & Grants	Sub. Charges	Develop. Reserves	Reserve Funds	Capital from Current	Federal Subsidy	Other	Debt/Internal Sources
Citizen Centred Services – A															
Children's Services	35,858	8,278	7,726	7,600	6,500	5,754	0	21,950	0	0	7,508	0	0	0	6,400
Court Services	8,700	3,100	3,525	1,125	950	0	0	0	0	0	8,700	0	0	0	0
Economic Development, Culture and Tourism	164,010	14,188	9,799	12,440	11,986	10,935	104,662	1,190	0	0	11,575	8,592	1,265	29,656	111,732
Emergency Medical Services	77,658	5,772	5,652	5,672	6,672	5,472	48,418	4,720	400	5,625	0	1,023	0	450	65,440
Homes for the Aged	85,600	9,000	8,400	6,600	8,800	8,800	44,000	0	0	0	58,350	0	0	0	27,250
Parks, Forestry & Recreation	808,209	60,854	56,175	56,302	52,625	45,034	537,219	500	21,291	0	36,464	2,553	0	32,698	714,703
Shelter, Support & Housing Administration	37,103	12,755	4,125	3,300	3,150	3,274	10,499	0	395	0	0	803	100	9,347	26,458
Social Services	6,700	1,700	1,700	1,700	1,600	0	0	0	0	0	0	0	0	6,700	0
Sub-Total	1,223,838	115,647	97,102	94,739	92,283	79,269	744,798	28,360	22,086	5,625	122,597	12,971	1,365	78,851	951,983
Citizen Centred Services – B															
City Planning	67,027	7,298	8,819	8,292	8,304	4,831	29,483	0	18,373	0	0	3,100	0	13,497	32,057
Policy, Planning, Finance and Administration	31,477	5,447	6,323	3,657	4,025	3,563	8,462	0	0	0	0	3,884	0	4,830	22,763
Fire Services	74,656	6,329	4,255	4,050	4,050	3,909	52,063	1,610	6,777	1,500	1,807	2,281	4,513	0	56,168
Solid Waste Management	244,521	26,190	40,017	21,267	21,652	41,500	93,895	0	0	4,028	89,087	11,932	0	0	139,474
Transportation Services	2,310,889	246,133	233,523	214,379	217,816	205,124	1,193,914	0	96,357	0	9,377	12,258	0	192,607	2,000,290
Waterfront Revitalization Initiative	426,090	44,310	51,131	30,354	26,016	25,800	248,479	0	0	0	426,090	0	0	0	0
Sub-Total	3,154,660	335,707	344,068	281,999	281,863	284,727	1,626,296	1,610	121,507	5,528	526,361	33,455	4,513	210,934	2,250,752
Internal Services															
Facilities and Real Estate	300,742	32,518	33,204	30,175	29,963	29,000	145,882	0	696	0	0	9,418	0	4,951	285,677
Financial Services	37,030	6,755	7,000	4,850	3,915	3,000	11,510	0	850	1,840	1,298	3,900	0	6,572	22,570
Fleet Services	174,784	49,425	38,939	29,039	28,922	28,459	0	0	0	174,784	0	0	0	0	0
Information Technology – Development	112,548	14,460	14,788	10,979	12,481	10,970	48,870	0	0	14,438	0	9,000	0	971	88,139
Information Technology – Sustainment	182,242	13,402	13,435	25,614	23,662	18,518	87,611	0	0	182,242	0	0	0	0	0
Sub-Total	807,346	116,560	107,366	100,657	98,943	89,947	293,873	0	1,546	373,304	1,298	22,318	0	12,494	396,386
Other City Programs															
City Clerk's Office	42,415	4,280	3,240	1,498	1,507	1,430	30,460	0	0	3,550	0	3,770	0	0	35,095
Energy Retrofit Program	14,103	7,103	5,000	2,000	0	0	0	0	0	0	0	0	0	3,845	10,258
Nathan Phillips Square	15,500	1,550	3,728	3,953	3,953	2,316	0	0	0	0	0	1,550	0	0	13,950
Radio Replacement Project	69,998	250	250	28,000	28,000	13,498	0	0	0	0	0	250	0	0	69,748
Union Station	33,116	9,425	10,395	3,338	4,003	3,800	2,155	0	0	0	0	5,143	0	7,494	20,479
Yonge-Dundas Square	200	0	100	50	50	0	0	0	0	0	0	0	0	0	200
3-1-1 Customer Service Strategy	18,451	11,311	6,722	418	0	0	0	0	0	0	0	11,311	0	0	7,140
Sub-Total	193,783	33,919	29,435	39,257	37,513	21,044	32,615	0	0	3,550	0	22,024	0	11,339	156,870
Total City Operations	5,379,627	601,833	577,971	516,652	510,602	474,987	2,697,582	29,970	145,139	388,007	650,256	90,768	5,878	313,618	3,755,991

2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and 2008-2016 Capital Plan and Forecast – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources							
		2007	2008	2009	2010	2011	2012 to 2016	Prov. & Grants	Sub. Charges	Develop. Reserves	Reserve Funds	Capital from Current	Federal Subsidy	Other	Debt/Internal Sources
Special Purpose Bodies & Other															
Exhibition Place	60,505	5,100	5,000	5,000	5,000	5,000	35,405	0	0	0	0	800	0	300	59,405
Toronto And Region Conservation Authority	69,779	5,992	6,282	6,686	7,187	7,617	36,015	0	0	0	0	2,722	0	39,907	27,150
Toronto Parking Enforcement Unit	4,340	434	434	434	434	434	2,170	0	0	4,340	0	0	0	0	0
Toronto Police Service	510,140	51,115	66,598	49,853	48,451	38,192	255,931	0	0	175,362	8,500	0	0	9,832	316,446
Toronto Public Health	17,831	3,943	3,490	3,499	3,499	3,400	0	0	0	0	0	3,463	0	0	14,368
Toronto Public Library	205,105	15,407	17,000	18,115	17,763	20,408	116,412	0	33,036	0	244	3,000	0	21,506	147,319
Toronto Zoo	130,745	8,190	5,060	6,125	11,125	12,773	87,472	0	0	0	0	802	0	50,365	79,578
Special Purpose Bodies & Other Total	998,445	90,181	103,864	89,712	93,459	87,824	533,405	0	33,036	179,702	8,744	10,787	0	121,910	644,266
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. Transit & TPA)	6,378,072	692,014	681,835	606,364	604,061	562,811	3,230,987	29,970	178,175	567,709	659,000	101,555	5,878	435,528	4,400,257
Transit & TPA															
GO Transit	100,000	20,000	20,000	20,000	20,000	20,000	0	0	0	0	0	20,000	0	0	80,000
Toronto Port Authority	12,800	3,000	3,000	1,700	1,700	1,700	1,700	0	0	0	0	2,615	0	2,310	7,875
Toronto Transit Commission	6,905,213	717,304	696,413	764,664	694,171	571,490	3,461,171	1,041,695	6,987	0	40,500	0	1,124,487	216,497	4,475,047
Total Transit	7,018,013	740,304	719,413	786,364	715,871	593,190	3,462,871	1,041,695	6,987	0	40,500	22,615	1,124,487	218,807	4,562,922
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. Transit & TPA)	13,396,085	1,432,318	1,401,248	1,392,728	1,319,932	1,156,001	6,693,858	1,071,665	185,162	567,709	699,500	124,170	1,130,365	654,335	8,963,179
RATE SUPPORTED PROGRAM															
Toronto Parking Authority	134,065	17,681	35,934	26,350	27,100	27,000	0	0	0	0	3,500	0	0	130,565	0
Toronto Water	6,766,570	346,376	472,201	543,526	602,300	668,289	4,133,878	0	266,058	0	6,305,252	0	0	195,260	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	6,900,635	364,057	508,135	569,876	629,400	695,289	4,133,878	0	266,058	0	6,308,752	0	0	325,825	0
TOTAL CAPITAL PROGRAM	20,296,720	1,796,375	1,909,383	1,962,604	1,949,332	1,851,290	10,827,736	1,071,665	451,220	567,709	7,008,252	124,170	1,130,365	980,160	8,963,179

- Start development of an interregional bus terminal which will be shared with GO Transit and Mississauga Transit (\$9.844 million);
- Complete the Mount Dennis 250-bus garage in the fall of 2007 to house added TTC fleet (\$30.842 million);
- Continue St. Clair West dedicated transit way, to be completed in 2008 (\$19.805 million);
- Begin development of two Bus Rapid Transit ways (BRTs): one from Downsview to York University; the other via Yonge Street from Finch Station to Steeles Avenue (\$8.614 million);
- Make York Mills, St. Clair and Lawrence West subway stations accessible (\$8.330 million);
- Replace more than 30,000 double track feet of surface rail with a focus on Fleet Street, Dundas Street West, Queensway at Bloor and Oakwood loops (\$44.541 million); and,
- Install state-of-the-art signalling systems on the Yonge-University-Spadina subway line and safety upgrades (\$64.724 million).

SUMMARY/CONCLUSION

The 2007 Approved Capital Budget and 2008-2011 Capital Plan sets the foundation for implementing the Mayor's vision and mandate, and Council's policy agenda. It addresses the City's health and safety, legislated, and state of good repair capital spending needs while recognizing existing fiscal challenges. This is evidenced by the fact that, of the 2007 Approved Capital Budget of \$1.432 billion, 75% or \$1.075 billion is targeted to these three categories of projects. The amount dedicated to these project categories is \$5.344 billion or 80% of the total Five-Year Capital Plan of \$6.702 billion. While priority has been placed on maintaining the City's infrastructure, the Capital Plan also provides for growth in strategic areas and for service expansion in key Program areas to accommodate service demands and expectations of the public. Included in the Approved Five-Year Capital Plan are investments in projects that will contribute to the Mayor's priorities of making Toronto safer, a clean, green and beautiful city, and transit strategic directions in accordance with Council's Official Plan.

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2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and Future Year Commitments – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources						
		2007	2008	2009	2010	2011	2012 to 2016	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Federal Subsidy	Other	Debt/Internal Sources
Citizen Centred Services - A														
Children's Services	10,404	8,278	1,626	500	0	0	0	5,950	0	0	3,454	0	0	1,000
Court Services	6,800	3,100	3,275	425	0	0	0	0	0	0	6,800	0	0	0
Economic Development, Culture and Tourism	16,687	14,188	2,499	0	0	0	0	0	0	0	2,800	0	3,342	10,545
Emergency Medical Services	12,990	5,772	4,942	1,926	350	0	0	944	0	1,030	0	0	450	10,566
Homes for the Aged	9,000	9,000	0	0	0	0	0	0	0	0	7,600	0	0	1,400
Parks, Forestry & Recreation	76,182	60,854	12,547	2,781	0	0	0	500	6,506	0	20,998	0	9,584	38,594
Shelter, Support & Housing Administration	17,784	12,755	3,329	1,700	0	0	0	0	183	0	0	100	9,347	8,154
Social Services	4,700	1,700	1,300	800	900	0	0	0	0	0	0	0	4,700	0
3-1-1 Customer Service Strategy	18,451	11,311	6,722	418	0	0	0	0	0	0	0	0	0	18,451
Sub-Total	154,547	115,647	29,518	8,132	1,250	0	0	7,394	6,564	1,030	41,652	100	24,995	72,812
Citizen Centred Services - B														
City Planning	8,449	7,298	1,151	0	0	0	0	0	1,781	0	0	0	2,555	4,113
Policy, Planning, Finance and Administration	8,126	5,447	2,605	0	0	0	74	0	0	0	0	0	3,526	4,600
Fire Services	9,600	6,329	2,271	1,000	0	0	0	0	1,075	0	0	203	0	8,322
Solid Waste Management	70,712	26,190	22,545	1,263	2,500	18,214	0	0	0	338	6,585	0	0	63,789
Transportation Services	330,233	246,133	80,320	3,780	0	0	0	0	30,520	0	927	0	73,102	225,684
Waterfront Revitalization Initiative	426,090	44,310	51,131	30,354	26,016	25,800	248,479	0	0	0	426,090	0	0	0
Sub-Total	853,210	335,707	160,023	36,397	28,516	44,014	248,553	0	33,376	338	433,602	203	79,183	306,508
Internal Services														
Facilities and Real Estate	77,566	32,518	23,492	8,953	5,332	3,562	3,709	0	696	0	0	0	4,951	71,919
Financial Services	16,190	6,755	5,970	2,815	650	0	0	0	400	1,840	88	0	4,297	9,565
Fleet Services	59,775	49,425	10,350	0	0	0	0	0	0	59,775	0	0	0	0
Information Technology - Development	37,821	14,460	11,016	5,559	2,726	4,060	0	0	0	12,687	0	0	971	24,163
Information Technology - Sustainment	13,402	13,402	0	0	0	0	0	0	0	13,402	0	0	0	0
Sub-Total	204,754	116,560	50,828	17,327	8,708	7,622	3,709	0	1,096	87,704	88	0	10,219	105,647
Other City Programs														
City Clerk's Office	6,800	4,280	2,260	68	62	130	0	0	0	830	0	0	0	5,970
Energy Retrofit Program	14,103	7,103	5,000	2,000	0	0	0	0	0	0	0	0	14,103	0
Nathan Phillips Square	1,550	1,550	0	0	0	0	0	0	0	0	0	0	0	1,550
Radio Replacement Project	500	250	250	0	0	0	0	0	0	0	0	0	0	500
Union Station	18,477	9,425	8,093	731	228	0	0	0	0	0	0	0	7,494	10,983
Yonge-Dundas Square	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total	59,881	33,919	22,325	3,217	290	130	0	0	0	830	0	0	21,597	37,454
Total City Operations	1,272,392	601,833	262,694	65,073	38,764	51,766	252,262	7,394	41,036	89,902	475,342	303	135,994	522,421

2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and Future Year Commitments – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources						
		2007	2008	2009	2010	2011	2012 to 2016	Prov. Sub. & Grants	Develop. Charges	Reserves	Reserve Funds	Federal Subsidy	Other	Debt/Internal Sources
Special Purpose Bodies & Other														
Exhibition Place	6,725	5,100	1,625	0	0	0	0	0	0	0	0	0	300	6,425
Toronto And Region Conservation Authority	5,992	5,992	0	0	0	0	0	0	0	0	0	0	3,270	2,722
Toronto Parking Enforcement Unit	434	434	0	0	0	0	0	0	0	434	0	0	0	0
Toronto Police Service	132,233	51,115	48,365	16,297	11,939	4,517	0	0	0	10,249	3,000	0	9,832	109,152
Toronto Public Health	8,740	3,943	2,797	1,436	564	0	0	0	0	0	0	0	480	8,260
Toronto Public Library	47,076	15,407	15,450	13,939	2,280	0	0	0	7,006	0	243	0	6,243	33,584
Toronto Zoo	11,512	8,190	3,322	0	0	0	0	0	0	0	0	0	2,000	9,512
Special Purpose Bodies & Other Total	212,712	90,181	71,559	31,672	14,783	4,517	0	0	7,006	10,683	3,243	0	22,125	169,655
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. Transit & TPA)	1,485,104	692,014	334,253	96,745	53,547	56,283	252,262	7,394	48,042	100,585	478,585	303	158,119	678,041
Transit & TPA														
GO Transit	20,000	20,000	0	0	0	0	0	0	0	0	0	0	0	20,000
Toronto Port Authority	3,000	3,000	0	0	0	0	0	0	0	0	0	0	385	2,615
Toronto Transit Commission	2,010,005	717,304	543,667	398,039	244,533	106,462	0	564,510	4,720	0	40,500	782,882	71,606	545,787
Total Transit	2,033,005	740,304	543,667	398,039	244,533	106,462	0	507,293	4,009	0	0	739,416	120,585	661,702
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. Transit & TPA)	3,518,109	1,432,318	877,920	494,784	298,080	162,745	252,262	571,904	52,762	100,585	519,085	783,185	230,110	1,260,478
RATE SUPPORTED PROGRAM														
Toronto Parking Authority	34,164	17,681	16,483	0	0	0	0	0	0	0	1,200	0	32,964	0
Toronto Water	843,735	346,376	226,399	128,528	88,551	53,881	0	0	40,145	0	748,363	0	55,227	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	877,899	364,057	242,882	128,528	88,551	53,881	0	0	40,145	0	749,563	0	88,191	0
TOTAL CAPITAL PROGRAM	4,396,608	1,796,375	1,120,802	623,312	386,631	216,626	252,262	571,904	92,907	100,585	1,268,648	783,185	318,301	1,260,478

2007 COUNCIL APPROVED CAPITAL BUDGET

2007 Council Approved Capital Budget and 2008-2016 Capital Plan and Forecast – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources							
		2007	2008	2009	2010	2011	2012 to 2016	Prov. & Grants	Sub. Charges	Develop. Reserves	Reserve Funds	Capital from Current	Federal Subsidy	Other	Debt/Internal Sources
Citizen Centred Services – A															
Children's Services	35,858	8,278	7,726	7,600	6,500	5,754	0	21,950	0	0	7,508	0	0	0	6,400
Court Services	8,700	3,100	3,525	1,125	950	0	0	0	0	0	8,700	0	0	0	0
Economic Development, Culture and Tourism	164,010	14,188	9,799	12,440	11,986	10,935	104,662	1,190	0	0	11,575	8,592	1,265	29,656	111,732
Emergency Medical Services	77,658	5,772	5,652	5,672	6,672	5,472	48,418	4,720	400	5,625	0	1,023	0	450	65,440
Homes for the Aged	85,600	9,000	8,400	6,600	8,800	8,800	44,000	0	0	0	58,350	0	0	0	27,250
Parks, Forestry & Recreation	808,209	60,854	56,175	56,302	52,625	45,034	537,219	500	21,291	0	36,464	2,553	0	32,698	714,703
Shelter, Support & Housing Administration	37,103	12,755	4,125	3,300	3,150	3,274	10,499	0	395	0	0	803	100	9,347	26,458
Social Services	6,700	1,700	1,700	1,700	1,600	0	0	0	0	0	0	0	0	6,700	0
Sub-Total	1,223,838	115,647	97,102	94,739	92,283	79,269	744,798	28,360	22,086	5,625	122,597	12,971	1,365	78,851	951,983
Citizen Centred Services – B															
City Planning	67,027	7,298	8,819	8,292	8,304	4,831	29,483	0	18,373	0	0	3,100	0	13,497	32,057
Policy, Planning, Finance and Administration	31,477	5,447	6,323	3,657	4,025	3,563	8,462	0	0	0	0	3,884	0	4,830	22,763
Fire Services	74,656	6,329	4,255	4,050	4,050	3,909	52,063	1,610	6,777	1,500	1,807	2,281	4,513	0	56,168
Solid Waste Management	244,521	26,190	40,017	21,267	21,652	41,500	93,895	0	0	4,028	89,087	11,932	0	0	139,474
Transportation Services	2,310,889	246,133	233,523	214,379	217,816	205,124	1,193,914	0	96,357	0	9,377	12,258	0	192,607	2,000,290
Waterfront Revitalization Initiative	426,090	44,310	51,131	30,354	26,016	25,800	248,479	0	0	0	426,090	0	0	0	0
Sub-Total	3,154,660	335,707	344,068	281,999	281,863	284,727	1,626,296	1,610	121,507	5,528	526,361	33,455	4,513	210,934	2,250,752
Internal Services															
Facilities and Real Estate	300,742	32,518	33,204	30,175	29,963	29,000	145,882	0	696	0	0	9,418	0	4,951	285,677
Financial Services	37,030	6,755	7,000	4,850	3,915	3,000	11,510	0	850	1,840	1,298	3,900	0	6,572	22,570
Fleet Services	174,784	49,425	38,939	29,039	28,922	28,459	0	0	0	174,784	0	0	0	0	0
Information Technology – Development	112,548	14,460	14,788	10,979	12,481	10,970	48,870	0	0	14,438	0	9,000	0	971	88,139
Information Technology – Sustainment	182,242	13,402	13,435	25,614	23,662	18,518	87,611	0	0	182,242	0	0	0	0	0
Sub-Total	807,346	116,560	107,366	100,657	98,943	89,947	293,873	0	1,546	373,304	1,298	22,318	0	12,494	396,386
Other City Programs															
City Clerk's Office	42,415	4,280	3,240	1,498	1,507	1,430	30,460	0	0	3,550	0	3,770	0	0	35,095
Energy Retrofit Program	14,103	7,103	5,000	2,000	0	0	0	0	0	0	0	0	0	3,845	10,258
Nathan Phillips Square	15,500	1,550	3,728	3,953	3,953	2,316	0	0	0	0	0	1,550	0	0	13,950
Radio Replacement Project	69,998	250	250	28,000	28,000	13,498	0	0	0	0	0	250	0	0	69,748
Union Station	33,116	9,425	10,395	3,338	4,003	3,800	2,155	0	0	0	0	5,143	0	7,494	20,479
Yonge-Dundas Square	200	0	100	50	50	0	0	0	0	0	0	0	0	0	200
3-1-1 Customer Service Strategy	18,451	11,311	6,722	418	0	0	0	0	0	0	0	11,311	0	0	7,140
Sub-Total	193,783	33,919	29,435	39,257	37,513	21,044	32,615	0	0	3,550	0	22,024	0	11,339	156,870
Total City Operations	5,379,627	601,833	577,971	516,652	510,602	474,987	2,697,582	29,970	145,139	388,007	650,256	90,768	5,878	313,618	3,755,991

2007 COUNCIL APPROVED CAPITAL BUDGET

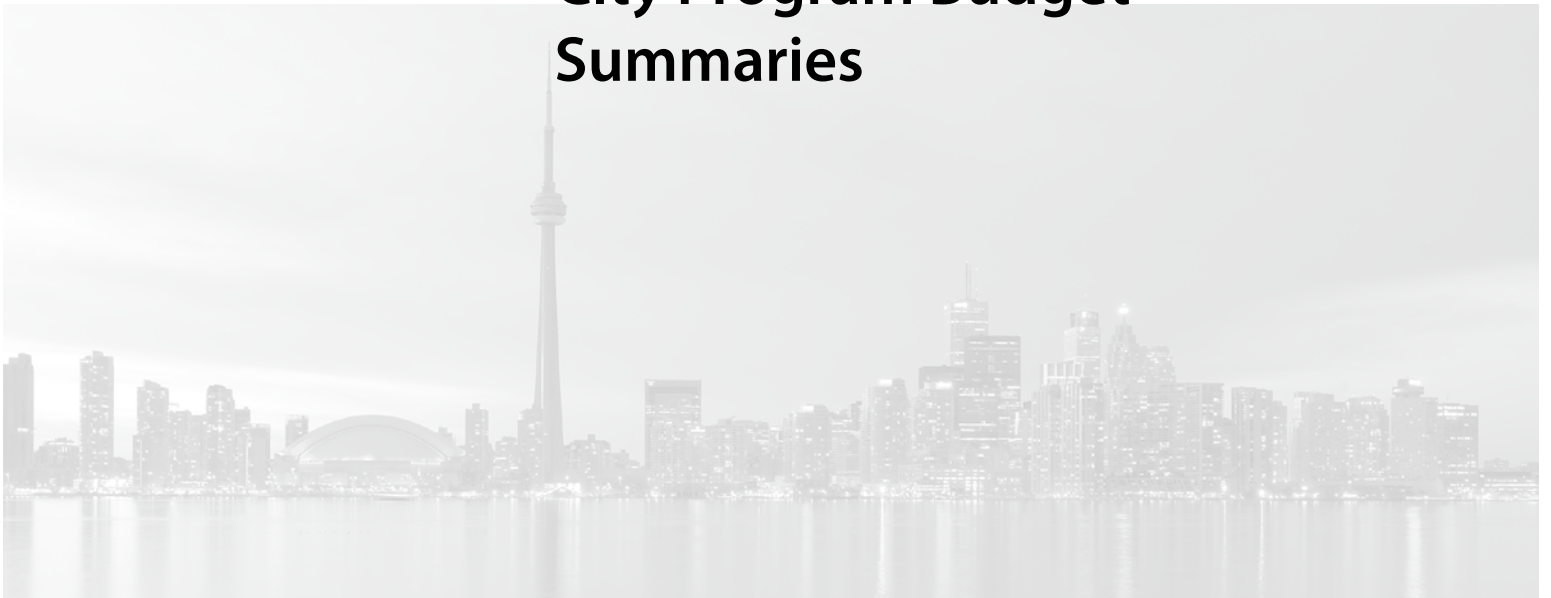
2007 Council Approved Capital Budget and 2008-2016 Capital Plan and Forecast – Excluding 2006 Carry-forwards

(\$000s)	Total Cash Flow 2007-2016	Cash Flow						Financing Sources							
		2007	2008	2009	2010	2011	2012 to 2016	Prov. & Grants	Sub. Charges	Develop. Reserves	Reserve Funds	Capital from Current	Federal Subsidy	Other	Debt/Internal Sources
Special Purpose Bodies & Other															
Exhibition Place	60,505	5,100	5,000	5,000	5,000	5,000	35,405	0	0	0	0	800	0	300	59,405
Toronto And Region Conservation Authority	69,779	5,992	6,282	6,686	7,187	7,617	36,015	0	0	0	0	2,722	0	39,907	27,150
Toronto Parking Enforcement Unit	4,340	434	434	434	434	434	2,170	0	0	4,340	0	0	0	0	0
Toronto Police Service	510,140	51,115	66,598	49,853	48,451	38,192	255,931	0	0	175,362	8,500	0	0	9,832	316,446
Toronto Public Health	17,831	3,943	3,490	3,499	3,499	3,400	0	0	0	0	0	3,463	0	0	14,368
Toronto Public Library	205,105	15,407	17,000	18,115	17,763	20,408	116,412	0	33,036	0	244	3,000	0	21,506	147,319
Toronto Zoo	130,745	8,190	5,060	6,125	11,125	12,773	87,472	0	0	0	0	802	0	50,365	79,578
Special Purpose Bodies & Other Total	998,445	90,181	103,864	89,712	93,459	87,824	533,405	0	33,036	179,702	8,744	10,787	0	121,910	644,266
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Excl. Transit & TPA)	6,378,072	692,014	681,835	606,364	604,061	562,811	3,230,987	29,970	178,175	567,709	659,000	101,555	5,878	435,528	4,400,257
Transit & TPA															
GO Transit	100,000	20,000	20,000	20,000	20,000	20,000	0	0	0	0	0	20,000	0	0	80,000
Toronto Port Authority	12,800	3,000	3,000	1,700	1,700	1,700	1,700	0	0	0	0	2,615	0	2,310	7,875
Toronto Transit Commission	6,905,213	717,304	696,413	764,664	694,171	571,490	3,461,171	1,041,695	6,987	0	40,500	0	1,124,487	216,497	4,475,047
Total Transit	7,018,013	740,304	719,413	786,364	715,871	593,190	3,462,871	1,041,695	6,987	0	40,500	22,615	1,124,487	218,807	4,562,922
TOTAL TAX SUPPORTED CAPITAL PROGRAM (Incl. Transit & TPA)	13,396,085	1,432,318	1,401,248	1,392,728	1,319,932	1,156,001	6,693,858	1,071,665	185,162	567,709	699,500	124,170	1,130,365	654,335	8,963,179
RATE SUPPORTED PROGRAM															
Toronto Parking Authority	134,065	17,681	35,934	26,350	27,100	27,000	0	0	0	0	3,500	0	0	130,565	0
Toronto Water	6,766,570	346,376	472,201	543,526	602,300	668,289	4,133,878	0	266,058	0	6,305,252	0	0	195,260	0
TOTAL RATE SUPPORTED CAPITAL PROGRAM	6,900,635	364,057	508,135	569,876	629,400	695,289	4,133,878	0	266,058	0	6,308,752	0	0	325,825	0
TOTAL CAPITAL PROGRAM	20,296,720	1,796,375	1,909,383	1,962,604	1,949,332	1,851,290	10,827,736	1,071,665	451,220	567,709	7,008,252	124,170	1,130,365	980,160	8,963,179

CITY OF TORONTO

2007
Budget Summary

**City Program Budget
Summaries**



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CITY OF TORONTO

2007

Budget Summary

Citizen Focused Services 'A'



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AFFORDABLE HOUSING OFFICE

MISSION STATEMENT

The Affordable Housing Office contributes to healthy communities by ensuring that residents have a range of permanent affordable housing options.

2006 KEY ACCOMPLISHMENTS

New Affordable Homes

- participation in Canada/Ontario Affordable Housing Plan (AHP) with \$78 million capital funding
- approval of over 1,060 rental and ownership homes
- Council approval of two "Strong Starts" projects (325 homes)
- issuance of RFP for 600 rental & supportive homes
- leadership of Regent Park inter-divisional working group

Existing Affordable Homes

- over 220 loans valuing \$6.5 million delivered on behalf of the Canadian Mortgage and Housing Corporation (CMHC) to repair and refit affordable homes

Future Affordable Homes

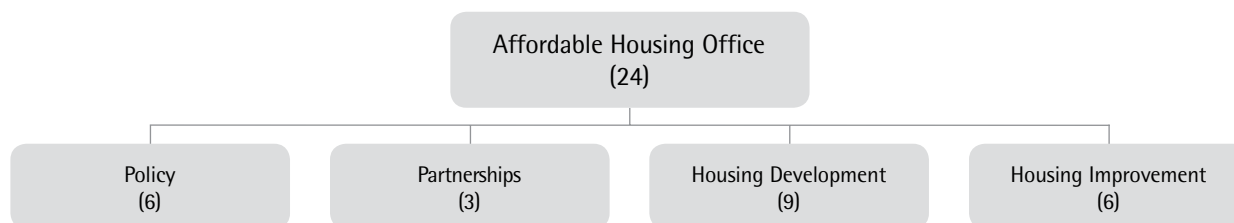
- 2006 Action Plan
- initiated work to create a comprehensive Affordable Housing Plan
- advocated for federal and provincial funding

2007 PROGRAM OBJECTIVES

- developing an Affordable Housing Plan that sets out short, medium and long-term objectives, and an implementation plan to realize objectives for affordable housing
- working with Nishnawbe Homes to develop 62 units of aboriginal affordable housing at 244 Church St
- recommending 600 units of new affordable housing from the RFP issued in December 2006
- working with the Province to secure affordable housing funding for the Railway Lands, the West Don Lands and other areas in Toronto and then working with the Toronto Community Housing Corporation (TCHC), the non-profit, co-operative and private sectors to facilitate the development of affordable housing
- working with the TCHC on implementation of Regent Park revitalization by advocating for funding and co-ordinating city activities and aligning capital budgets
- developing models and approaches to apply lessons learned from Regent to other social housing communities, such as Lawrence Heights, with the TCHC
- making best use of the Homelessness Partnership funding allocated to deliver additional affordable, supportive and transitional housing

AFFORDABLE HOUSING OFFICE

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- create 1,000 units of affordable housing each year for the next four years on the Railway Lands, the West Don Lands, and by redeveloping existing locations
- transform and revitalize Toronto's social housing communities, using Regent Park as an example, into viable, mixed-income, communities of hope
- partner with community agencies to ensure the construction of affordable, transitional and supportive housing
- develop a comprehensive Affordable Housing Plan and lead the development of affordable housing policy and research
- advance communication initiatives such as the development of a communications campaign to develop community support for affordable housing, the development of a consultation protocol for affordable housing developments and the provision of information via the City's Affordable Housing Office website

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	2,432.2	2,036.0	2,577.3	145.1	0.1
Materials & Supplies	27.9	14.1	28.4	0.5	0.0
Equipment	26.3	32.5	26.8	0.5	0.0
Services & Rents	288.5	208.2	293.4	4.9	0.0
Contributions & Transfers	0.0	0.0	0.0	0.0	0.0
Others (Includes IDCs)	243.2	198.4	260.0	16.8	0.1
Total Gross Expenditures	3,018.1	2,489.2	3,185.9	167.8	0.2
Funded by					
Prov. & Fed. Grants and Subsidies	424.6	371.6	450.0	25.4	0.1
User Fees	175.0	377.0	200.0	25.0	0.1
Reserves/Reserve Funds	557.8	0.0	1,025.1	467.3	0.8
Other (Includes IDRs)	442.6	322.5	92.7	(349.9)	(1.7)
Total Non-tax Revenues	1,600.0	1,071.1	1,767.8	167.8	(0.7)
Net Budget	1,418.1	1,418.1	1,418.1	0.0	0.9
Approved Positions	24.0	24.0	24.0	0.0	0

AFFORDABLE HOUSING OFFICE

2007 OPERATING BUDGET BY SERVICE

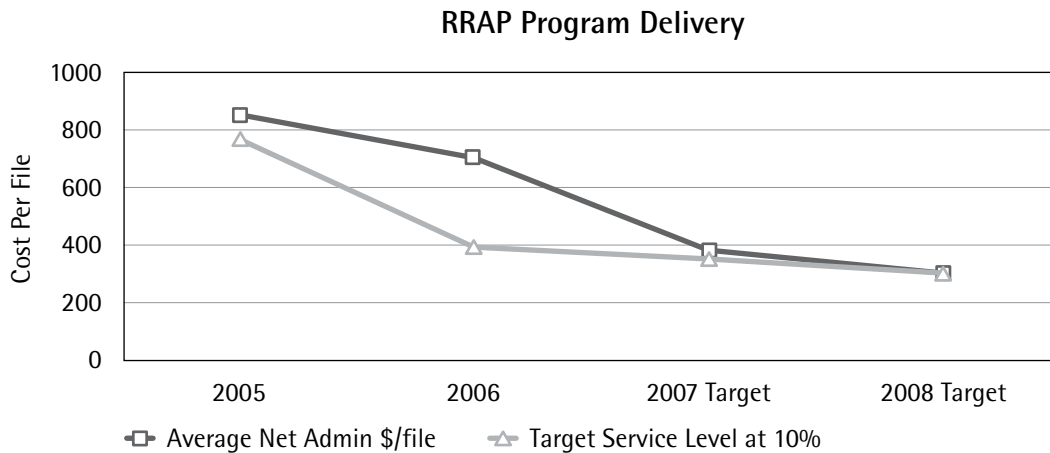
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Housing Improvements	561	153	555	380	569	368	14	2.5	(12)	(2.1)
Affordable Housing Office	2,266	1,240	2,463	1,038	2,617	1,050	154	6.3	12	0.5
Total Program Budget	2,827	1,393	3,018	1,418	3,186	1,418	168	8.8	0	(1.7)

KEY PERFORMANCE MEASURES

Efficiency Measure

The Affordable Housing Office administers the federal government's Residential Rehabilitation Application Program (RRAP) that preserves and / or enhances the utilization of existing affordable housing stock through the provision of federal loans that subsidize the redevelopment of apartments, rooming houses and individual homes to eligible property owners.

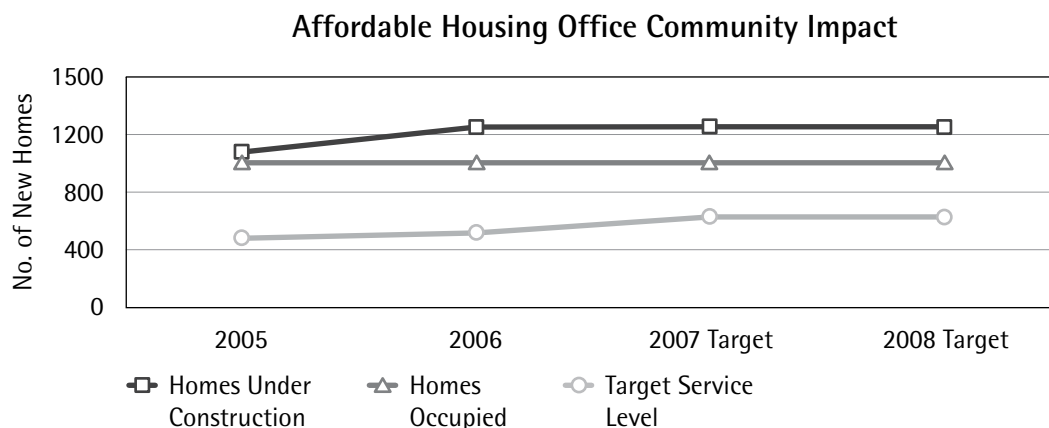
The Affordable Housing Office tracks the average net operating cost per application in the delivery of the RRAP applications. Net reductions in annual operating cost per file of 10% are targeted and achieved on an annual basis.



AFFORDABLE HOUSING OFFICE

Community Impact Measure

Council has set a target for the approval of 1,000 new affordable homes per year across the City. The following chart illustrates the number of new affordable homes which have been approved by Council and are either under construction or occupied.



2007 OPERATING BUDGET HIGHLIGHTS

The Three-Year Budget will provide the following services:

- facilitates the creation of 1,000 units of Affordable Housing a year
- promotes partnerships and advocates for the creation of new affordable housing with the non-profit sector, the federal and provincial governments, and the private-sector housing providers
- creates new affordable housing units through administrating an RFP process to deliver rental and supportive housing units
- administers the federal RRAP program that preserves and / or enhances the utilization of existing affordable housing stock through the provision of federal loans that subsidize the redevelopment of apartments, rooming houses and individual homes to eligible property owners
- assists in the development of policy and participates in research projects that help the federal and provincial governments design/ evaluate programming initiatives designed to deliver affordable housing
- participates in initiatives with the TCHC in the redevelopment of Regent Park and other TCHC housing projects

2008/2009 OPERATING BUDGET OUTLOOK

The 2008 Outlook includes an increase of \$0.995 million net (or a 70.1% increase from the \$0 net target), due to the following changes: \$0.160 million increase in salary and benefits resulting from on-going cost of living allowance (COLA) and merit and step increases; and revenue decrease of \$0.835 million, as Council will be requested to renew a portion of the program's funding for 2008, which comes from the City's reserve funds.

The 2009 Outlook includes an increase of \$0.074 million, with salary and benefits projected to increase by \$0.024 million due to merit and step increases, and a reduction in the contribution from the City's reserve funds of \$0.050 million. COLA is not included, as salaries and benefits are subject to future negotiations.

CHILDREN'S SERVICES

MISSION STATEMENT

The Children's Services Division is the service system manager of child care within Toronto. In partnership with the community, the division promotes equitable access to high quality care for children, and support for families and caregivers. An integrated approach to the planning and management ensures that services to children promote early learning and development, respond to family needs and choices and respect the diversity of the Toronto's communities.

2006 KEY ACCOMPLISHMENTS

- revised the City's Best Start Service Plan to secure service levels and respond to the cancellation of the federal/provincial child care agreement
- completed the development of 51 new child care centres under the City's Best Start Plan
- secured approval of the Best Start Plan – Toronto Vision for Children
- completed implementation of the Division's reorganization
- partnered with Parks, Forestry and Recreation to develop and implement the After School Recreation and Care Program
- First Duty Project brought to successful conclusion with results of evaluation published
- expanded services to children with special needs through Best Start funding
- developed applications for Income Testing
- expanded 2000 subsidy spaces

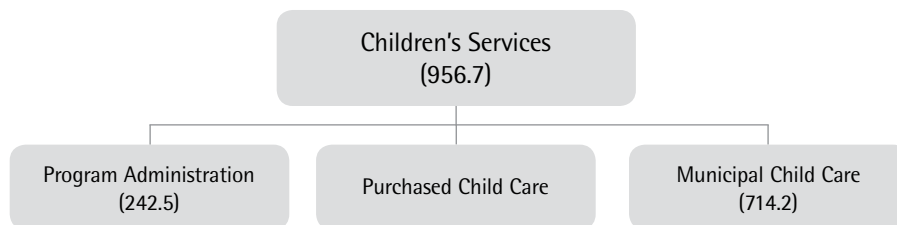
2007 PROGRAM OBJECTIVES

- A key direction for the Division in 2007 is the development of strategies to secure and stabilize the City's child care system in response to funding reductions.
- Moving forward to implement the Best StartVision (developed in 2006) will continue in 2007 through partnership and integration of child care, parent support and kindergarten services.
- Continued collaboration between Children's Services and Parks, Forestry and Recreation to expand the After School Recreation and Care programs in the City's 13 priority areas will provide increase recreation and care services to children and more youth employment opportunities.
- Improvements in the Division's health and safety activities will reduce lost time injuries and illness for staff and improve continuity of care for children.
- A focus on quality of child care services will result in the release of revised operating criteria for child care programs in 2007. Improved information for parents on the quality of child care centres under contract with the City will support parents in choosing child care.

CHILDREN'S SERVICES

PROGRAM MAP

Children's Services is comprised of three services, with a total staffing complement of 956.7 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- provide strategic leadership to developing an integrated system of services for children that balances service growth with support for the existing system
- implement the City's Best Start and the Child Care Service Plan
- increase equitable access to high quality child care services with a focus on customer service
- manage the transition to Income Testing

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	62,588.0	60,637.4	64,933.5	2,345.5	4
Materials & Supplies	4,038.7	3,543.9	3,893.1	(145.6)	-4
Equipment	574.6	288.9	704.0	129.4	23
Services & Rents	306,864.8	261,144.7	260,865.3	(45,999.5)	-15
Contributions & Transfers	933.8	26.5	933.8	0.0	0
Other (Includes IDCs)	4,350.8	3,905.9	5,408.8	1,058.0	24
Total Gross Expenditures	379,350.7	329,547.2	336,738.5	(42,612.2)	-11
Funded by					
Prov. & Fed. Grants and Subsidies	287,167.5	233,687.3	222,934.0	(64,233.5)	-22
User Fees	17,831.0	21,855.3	21,822.0	3,991.0	22
Reserves & Reserve Funds	3,911.2	0.0	20,107.7	16,196.5	414
Other (Includes IDRs)	2,150.0	6,518.8	2,850.0	700.0	33
Total Revenue	311,059.7	262,061.5	267,713.7	(43,346.0)	-14
Total Net Expenditures	68,291.0	67,485.7	69,024.8	733.8	1
Approved Positions	967.7	956.7	956.7	(11.0)	-1

CHILDREN'S SERVICES

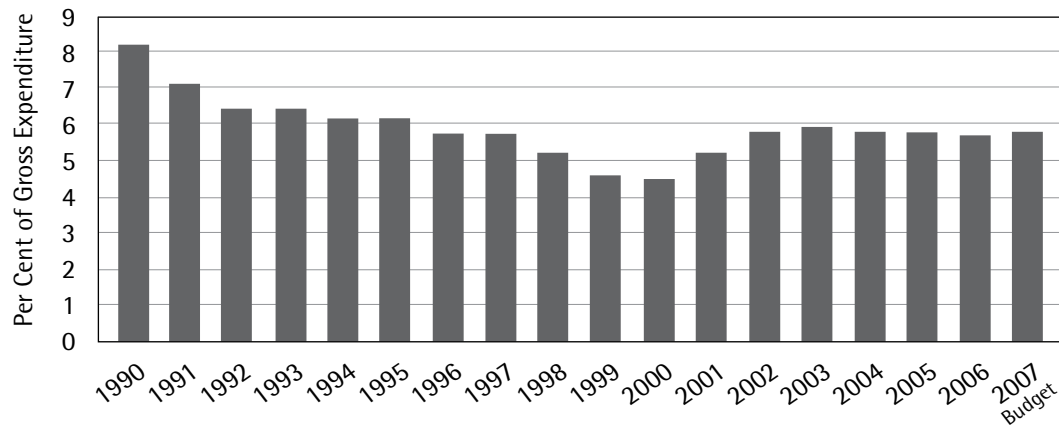
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Program Administration	22,581	13,384	24,099	9,361	23,121	11,385	(978)	-4	2,024	22
Municipal Child Care	57,145	15,225	61,804	17,992	64,000	15,817	2,196	4	(2,175)	-12
Purchased Child Care	271,022	39,514	293,448	40,938	249,618	41,822	(43,830)	-15	884	2
Total Program Budget	350,748	68,124	379,351	68,291	336,739	69,025	(42,612)	-11	734	1

KEY PERFORMANCE MEASURES

Efficiency Measure

Program Administration
(as Per Cent of Gross Expenditure)

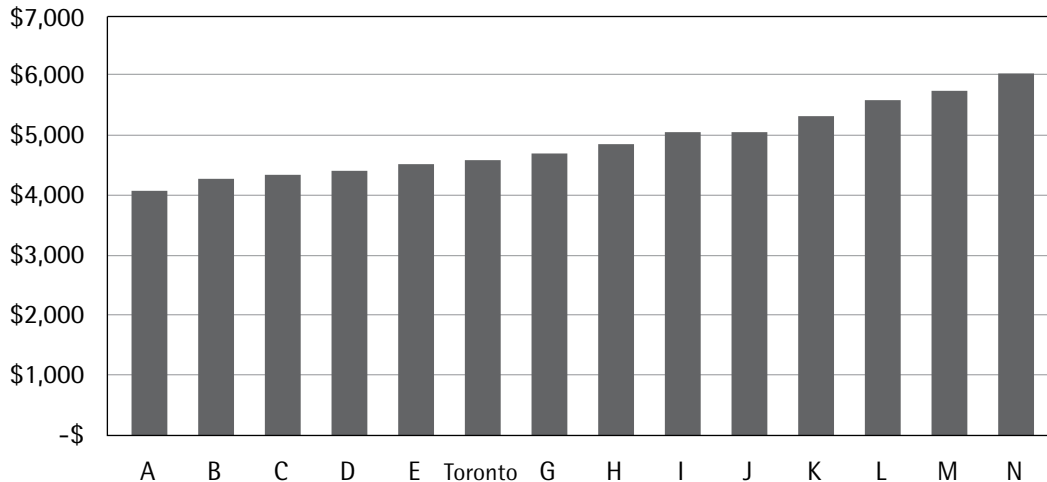


■ Per Cent of Gross Expenditure	8.2	7.1	6.4	6.4	6.1	6.1	5.7	5.7	5.2	4.6	4.5	5.2	5.8	5.9	5.8	5.8	5.7	5.8
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Program administration costs are maintained as a consistent proportion of the overall gross operating expenditure. These costs include system management, subsidy administration, and contract and quality compliance.

CHILDREN'S SERVICES

Annual Child Care Cost
(Per Normalized Subsidized Child Care Space-2005)

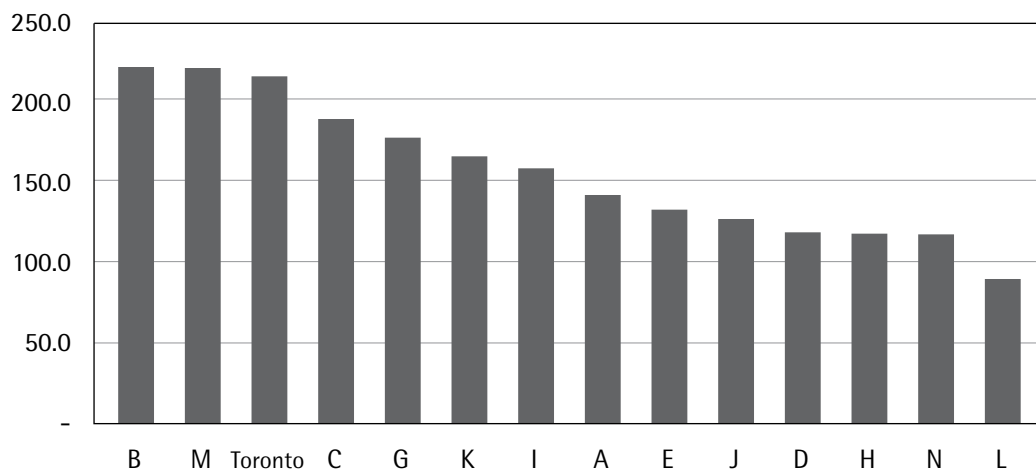


The most comparable area of child care operations between municipalities is the cost of providing a subsidized child care space. "Normalized Space" accounts for different proportions of age groups served.

Note: The formula does not take into account the cost differences between home child care and group based care, the proportion of spaces operated by the municipality, and recognition of actual cost of care by individual municipalities.

Community Impact Measure

Number of Child Care Subsidies
(Per 1,000 children living in low income)



In 2005, there were 208 child care subsidies for each 1,000 children age 0-12. Although above average among Ontario Municipal Benchmarking Initiative (OMBI) participants, this figure reflects the City's commitment to dedicating most of the available funds to subsidies unlike many other municipalities.

CHILDREN'S SERVICES

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- 23,844 child care fee subsidy spaces (including Best Start)
- 26 programs to support children with special needs
- 45 family resource centres and an additional 12 family resource centres in schools supported by the City's agreement with the Boards of Education
- 4,540 children to attend funded summer day programs
- 16 Before and After School programs for 355 children

2008/2009 OPERATING BUDGET OUTLOOK

- The 2007 Operating Budget relies on draws from the Child Care Expansion Reserve Fund (CCERF) (unspent 2005/2006 Best Start allocation was transferred to this reserve in 2006) to maintain current service levels. The CCERF (Best Start) will be sufficient to address 2008 pressures but not 2009. Without additional funding from other sources, service reductions of approximately 2,000 child care fee subsidy spaces may be needed by early 2009.
- Implementation of income testing will be phased in beginning in January 2007. The Program is projecting lost revenues not to exceed \$7.5 million in 2007 with an annualized impact estimated at \$15.0 million in 2008 (translates to 1,500 subsidy spaces).

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completion of the Enderby Road Child Care Centre
- Health & Safety/Playground project is underway and expected to be completed by the end of the year. This includes health and safety repairs for child care and family resource centre playgrounds to assist child care operators in addressing health and safety issues including playground retrofit to comply with licensing requirements under the Day Nurseries Act and the new Canadian Standards Association (CSA) standards.
- Thorncliffe Park Child Care Centre site was identified and approved by City Council as the first site for the New Child Care Centre project which includes the development of four new child care centres to meet high-needs, under-served wards within the City. Design of this project is underway and construction is expected in 2007.

CHILDREN'S SERVICES

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan supports Children's Services' strategic objective to ensure child care services are accessible, equitably available and strengthen at risk neighbourhoods by increasing the number of child care centres in under-served areas within the City of Toronto.

The Five-Year Capital Plan will provide funding for the following: four new child care centres in under-served wards within the City; address the state of good repair backlog for the Dovercourt child care centre; various infrastructure improvements/repairs for municipally operated child care centre facilities eligible under Best Start funding with specific projects to be reported to Community Development and Recreation Committee in June 2007; and assist child care operators to address health and safety issues including playground retrofit to comply with licensing requirements under the Day Nurseries Act and the new Canadian Standards Association (CSA) standards.

2007 CAPITAL BUDGET HIGHLIGHTS

- ongoing Health and Safety maintenance and retrofit of playgrounds to required safety standards (\$5.000 million) with \$4.000 million conditional on funding from the Province
- construction and design of two new child care centres in under-served areas (included in the Child Care Service Plan) at a cost of \$3.860 million to be completed in 2008 and 2009, fully funded from the Child Care Capital Reserve Fund
- completion of three child care centres: Bergamot Avenue child care centre (\$0.887 million) and Yonge Street child care centre (\$0.048 million) and Best Start funding for municipally operated child care centre facilities (\$1.950 million)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following four projects:

- **Health and Safety/Playground (\$25.0 million)**
This project was a seven-year phased plan approved by City Council in 2000 to assist child care operators to address health and safety issues including playground retrofit, to comply with licensing requirements under the Day Nurseries Act and the new Canadian Standards Association (CSA) standards.
- **Dovercourt Renovation (\$1.4 million)**
A State of Good Repair backlog of \$1.4 million has been identified for the City-owned building at 455 Dovercourt currently occupied by Children's Services and Social Services. This project has been deferred to 2008 as the estimate for the original plan for this facility far exceeded the available funding allocated for the renovation of this building.

CHILDREN'S SERVICES

- New Child Care Centres (\$7.89 million funded from the Child Care Capital Reserve Funds)**
 The City Council approved Childcare Service Plan recommended the development of new licensed child care spaces by proposing to build four new child care centres to meet the child care needs in high-needs and under-served wards within the City. The construction of the four child care centres are phased over the period 2007–2011. Under-served areas have been identified, however, it has been difficult to find suitable sites based on the approved Child Care Service Plan.
- Best Start – Municipal Child Care Centres (\$1.95 million)**
 Capital projects under Best Start focused on the creation of child care centres for children under five years of age in City-owned and non-City owned sites. In October 2005, Council adopted a report from the General Manager of Children Services entitled "Best Start Transition Infrastructure Plan" allocating approximately \$2.0 million of Best Start funds in capital funding for Child Care Centres in City-owned properties.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Child Care Centre (5176/5220 Yonge Street)	8	-	-	-	-	8
Thornccliffe Park Child Care Centre	833	626	-	-	-	1,459
New Child Care Centres (Centre B)	487	1,000	500	-	-	1,987
Best Start Child Care (Municipal)	1,950	-	-	-	-	1,950
Total Previously Approved	3,278	1,626	500	0	0	5,404
New Projects						
2007 Health & Safety Playground Program	5,000	-	-	-	-	5,000
Total New Projects	5,000	0	0	0	0	5,000
Total Children's Services	8,278	1,626	500	0	0	10,404

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs only.

ASSET INVENTORY

The City owns facilities housing 13 childcare sites, representing an area of 106,491 sq. ft. As a major occupant, Children's Services has operational jurisdiction for capital repairs of these facilities.

CHILDREN'S SERVICES

BACKLOG ANALYSIS

Children's Services SOGR backlog of \$1.4 million by year-end 2006 for the Dovercourt Facility will be addressed by 2011.

The SOGR backlog for other City-owned facilities occupied by Children's Services has not been determined. In December 2006, Facilities and Real Estate (F&RE) conducted a Building Condition Assessment and based on this assessment, will recommend the annual funding required to maintain each facility operated by Children's Services. Children's Services will include F&RE recommended annual SOGR funding requirements as part of their Capital Budget Submission for 2008.

COURT SERVICES

MISSION STATEMENT

The Court Services Division provides court administration and related services to the public using the Provincial Offences Courts in Toronto. Court administration and courtroom support services are delivered in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General.

2006 KEY ACCOMPLISHMENTS

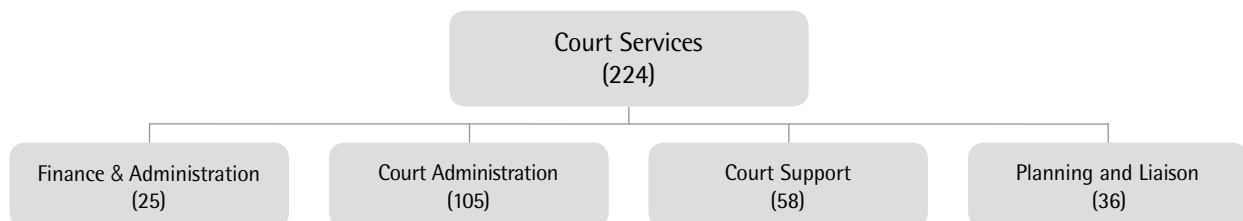
- implemented a new approach to responding to telephone calls by re-assigning staff in each of three large administration offices dedicating them to handling public enquiries (Since implementation in June 2005, public complaints about reaching our call centre have virtually been eliminated.)
- commenced collection project in June 2004 engaging collection agencies in an effort to collect outstanding fines inherited by Province at time of program transfer (Since August 2004, 14 million dollars have been recovered through use of collection agencies.)
- to improve public services, offices are now staffed with information clerks to assist public in locating desired service
- implementation, in July 2006, of Internet payment application (City built) to make paying fines easier
- processed 584,000 new charges received in 2006 (an increase of 14% from 2005)
- provided support for 14,400 hours of actual court time
- administrative support provided on 532,133 charges disposed in 2006 (6.7% increase from 2005)

2007 PROGRAM OBJECTIVES

- provide court services to stakeholders that are fair, co-ordinated, timely, efficient and accessible
- implement a new parking violation dispute resolution program available under the City of Toronto Act
- enhance collection efforts by supporting efforts of City Legal staff

PROGRAM MAP

Court Services Program is comprised of four services, with a total staffing of 224.0 Approved Positions



COURT SERVICES

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- Together with other municipal staff and provincial officials identify and implement legislative and regulatory reform to simplify the court process that may also involve alternative dispute resolution programs.
- Priority emphasis continues to be placed on obtaining provincial support for additional fine enforcement sanctions to reduce the level of unpaid fines experienced by all Ontario municipalities.
- monitor caseload trend and demand for service identifying and discussing with the judiciary options to manage workload
- monitor and report on implications arising from shortage of Justices of the Peace (Although 11 new Justices of the Peace were appointed during the last half of 2006 and early 2007, it is unlikely (due to the training requirements) that full court capacity will be seen before Fall 2007.)
- transfer the administration responsibility for the Toronto Licensing Tribunal into the Division pursuant to Councils decision

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	13,673.3	12,937.2	14,793.1	1,119.8	8
Materials & Supplies	129.4	146.2	177.6	48.2	37
Equipment	357.0	71.1	137.1	(219.9)	(62)
Services & Rents	8,328.8	6,987.7	8,550.9	222.1	3
Contributions & Transfers	369.1	369.1	44.1	(325.0)	(88)
Others (Includes IDCs)	9,601.6	9,037.7	11,394.5	1,792.9	19
Total Gross Expenditures	32,459.2	29,549.0	35,097.3	2,638.1	8
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	500.0	442.8	0.0	(500.0)	(100)
Other (Includes IDRs)	41,459.3	33,285.1	46,226.7	4,767.4	11
Total Non-tax Revenues	41,959.3	33,727.9	46,226.7	4,267.4	10
Net Budget	(9,500.1)	(4,178.9)	(11,129.4)	(1,629.3)	17
Approved Positions	221.0	221.0	224.0	3.0	1

COURT SERVICES

2007 OPERATING BUDGET BY SERVICE

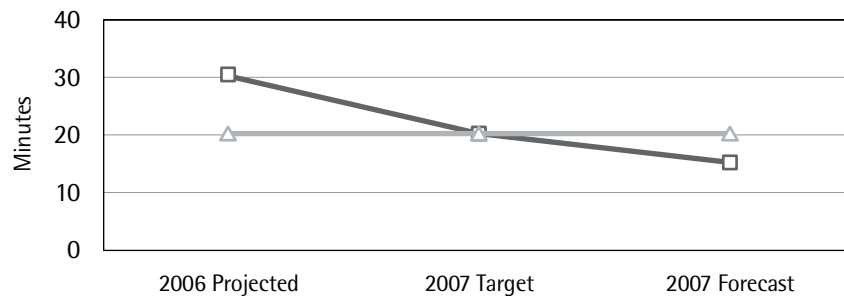
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Finance	16,423.9	14,933.9	18,044.5	16,579.5	20,176.4	19,147.9	2,131.9	11.8	2,568.4	15.5
Court Administration	6,603.9	(30,369.0)	7,032.1	(33,462.2)	6,731.8	(38,466.4)	(300.3)	(4.3)	(5,004.2)	15.0
Court Support	4,171.8	4,171.8	4,202.7	4,202.7	4,704.7	4,704.7	502.0	11.9	502.0	11.9
Planning & Liaison	2,228.8	2,228.8	3,179.9	3,179.9	3,484.4	2,484.4	304.5	9.6	(695.5)	(21.9)
Total Program Budget	29,428.4	(9,034.5)	32,459.2	(9,500.1)	35,097.3	(12,129.4)	2,638.1	8.1	(2,629.3)	27.7

KEY PERFORMANCE MEASURES

Efficiency Measure

Implementation, in July 2006, of Internet payment application (City built) to make paying fines easier and enhancements to other internal services to assist public will reduce customer queuing and waiting time at Court office services.

Customer Wait Time for Customer Service



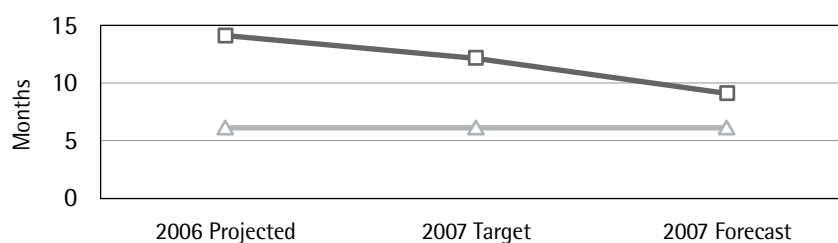
■ Current Service Level	30	20	15
▲ Target Service Level	20	20	20

COURT SERVICES

Community Impact Measure

The Court Services performance was hampered during 2006 due primarily to Toronto Police Service Officers not attending court and court closures resulting from a shortage of Justices of the Peace. Implementation, during the fourth quarter of 2006, of Council approved initiatives to improve court attendance by off-duty officers and some recent successes in municipal advocacy efforts related to appointment of Justices of the Peace are expected to result in enhanced and efficient services to the public, using the Provincial Offences Courts in Toronto.

Average Time From Offence Date to Trial For All



	2006 Projected	2007 Target	2007 Forecast
□ Current Service Level	14	12	9
△ Target Service Level	6	6	6

2007 OPERATING BUDGET HIGHLIGHTS

- increasing efforts at recovering outstanding defaulted fines through the use of collection agencies and services provided by dedicated Legal Division staff
- In the light of ongoing advocacy efforts, increasing court capacity and strengthening collection efforts, the trial request rate is expected to decrease while defendant unwillingness to pay court-ordered fines will reduce.
 - > court attendance by off-duty police officers is expected to reduce the number of cases withdrawn and increase the number of convictions
- expanding services provided by Court Services to include the support services function to the Licensing Tribunal
- A new Administrative Dispute Resolution process under the City of Toronto Act will result in better use of limited trial court space and offers the public an expedited dispute process respecting parking tickets. A report to Council outlining the program details is planned for mid-2007. If approved, this will be a significant project requiring the participation of inter-divisional and inter-governmental project teams working together to ensure an implementation of this process.
- As a continuous improvement initiative, the program will establish functional requirements and procure equipment and training that will allow staff to use modern technology, improve the quality of transcripts and capture the verbal court record of proceedings.

COURT SERVICES

2008/2009 OPERATING BUDGET OUTLOOK

The 2008 / 2009 outlook for the Court Services Operating Budget will maintain the 2007 service levels and continue to:

- simplify the court process by identifying and implementing legislative and regulatory reforms, which may also involve alternative dispute resolution programs
- pursue obtaining provincial sanctions for surcharge enforcement to reduce the level of unpaid fines experienced by all Ontario municipalities

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- identified the technological requirements for the digital audio recording project and closed the RFP in December
- Courthouse South District Facilities minor renovation work to facilities at several locations were substantially completed.

FIVE-YEAR STRATEGIC OBJECTIVE

The Court Services Five-Year Strategic Objective is to provide well-secured courthouse facilities with adequate space and suitable technological infrastructure to effectively and efficiently administer the Court Services program in accordance with the Provincial Offences Act and the Memorandum of Understanding between the City of Toronto and the Ministry of the Attorney General.

The Five-Year Plan will replace the current old and obsolete audio tape recording technology with a high tech digital technology system to record/transcribe court proceedings, develop, implement and maintain a new POA Court Case Management system according to City standards and renovate and expand Courthouse facilities at South and East Districts.

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Approved Capital Budget includes funding for technological requirements and facility renovations: The 2007 Capital Budget and the Five-Year Capital Plan will be fully funded from the Provincial Offences Courts Stabilization Reserve Fund.

POA Application Development (Total 2007 Cash Flow - \$2.0 million)

- The development and implementation of a new Court Case management application system will bridge City business/operational needs with that of the Province's outdated court administration system and the Integrated Court Offences Network (ICON) in 2008. The new case management system, based on City standards, will have the necessary features for the effective management of the large volume of caseload in the Toronto courts (\$2.0 million).

COURT SERVICES

Renovation and expansion of Courthouse Facilities: – South District (Total 2007 Cash Flow– \$1.1 million)

- This four year project (with a target completion date of 2009) will provide for the renovation of rooms in Metro Hall, at Old City Hall, 137 Edward Street and 481 University Avenue.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following project:

- Provincial Offences Act Application Sustainment and Hardware Upgrade & Replacement (\$1.9 million): City Council approved this three-year project, commencing in 2008, to ensure uninterrupted continuation of the Court Case Application Management System.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
POA Phase 2–Court Case Mgmt System	2,000	2,000	-	-	-	4,000
Courthouse Facilities Renovation (South District)	1,100	1,275	425	-	-	2,800
Total Previously Approved	3,100	3,275	425	0	0	6,800
Total New Projects	0	0	0	0	0	0
Total Court Services	3,100	3,275	425	0	0	6,800

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to miscellaneous operating supply costs only.

COURT SERVICES

ASSET INVENTORY

This is not applicable to Court Services.

BACKLOG ANALYSIS

The program does not have any backlog of projects.

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

MISSION STATEMENT

Economic Development, Culture and Tourism seeks to develop and maintain a dynamic creative city with a strong economy and a vibrant, diverse culture that engages citizens, is a magnet for talent and tourists, retains and attracts business, contributes to the economic and social well being of all the City's neighbourhoods and profiles Toronto on the international stage as a great place to live, work and visit.

2006 KEY ACCOMPLISHMENTS

- raised awareness of arts and culture across the city through the "TO Live With Culture" marketing campaign, which included Nuit Blanche: a large scale contemporary art exhibition (That event attracted great support of Toronto's artists and enthusiastic participation of Torontonians.)
- organized and launched the Mayor's Committee on Economic Competitiveness and three working groups focussed on establishing a clear identity to market and promote the City, attracting and retaining investment and creating an enabling environment in the City
- executed a new partnership agreement with Tourism Toronto leading to a clarification of roles and responsibilities between the organizations and a \$3 million investment over three years in City advocated tourism projects

2007 PROGRAM OBJECTIVES

- foster the health and growth of the City's key business, cultural and tourism sectors through the development of strategic policy initiatives
- develop and promote opportunities for cultural and artistic expression, education and audience development through support for the arts, museums and cultural infrastructure
- support and sustain the success of small business enterprise in all neighbourhoods and economic sectors across the City
- identify, attract and promote tourism, sports, cultural and events of significance that provide opportunities for both residents and tourists to participate in diverse economic, cultural and recreational experiences in the City of Toronto

PROGRAM MAP

Economic Development Culture & Tourism is comprised of four services with total staffing complement of 274.8 approved positions.



ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- deliver a Creative Economy Strategic Plan that integrates and supports the Mayor's Economic Competitiveness Advisory Committee and its working groups
- implement and support the Prosperity and Creative City elements of the Mayor's Platform
- complete the Divisional Program Review and finalize the consolidation of the Economic Development, Culture and Tourism Division

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	20,375.8	20,630.9	21,108.8	733.0	4
Materials & Supplies	1,563.8	1,021.9	1,291.4	(272.4)	-17
Equipment	125.5	178.2	137.0	11.5	9
Services & Rents	11,102.8	6,997.3	8,769.2	(2,333.6)	-21
Contributions & Transfers	921.4	1,022.6	921.4	0.0	0%
Others (Includes IDCs)	2,420.2	3,320.7	1,449.1	(971.1)	-43
Total Gross Expenditures	36,509.5	33,171.6	33,676.9	(2,832.6)	-69
Funded by					
Prov. & Fed. Grants and Subsidies	2,388.9	1,480.4	663.9	(1,725.0)	-214
User Fees	4191.9	1,725.4	4,191.9	0.0	0%
Reserves / Reserve Funds	1,530.5	1,546.2	579.0	(951.5)	-64
Other (Includes IDRs)	4,101.2	4,105.9	3,645.1	(456.1)	-12
Total Non-tax Revenues	12,212.5	8,857.9	9,079.9	(3,132.6)	-290
Net Budget	24,297.0	24,313.7	24,597.0	300.0	221
Approved Positions	284.3	284.3	274.8	(9.5)	-3

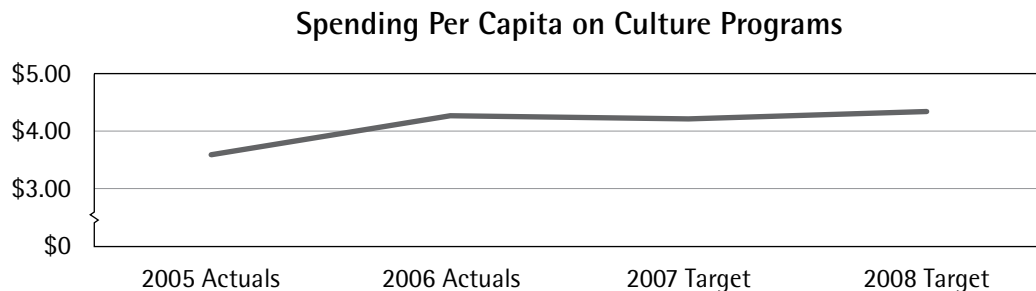
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Culture	13,381	9,015	16,848	10,697	13,657	10,213	(3,191)	(18.9)	(484)	(4.5)
Economic Development	9,692	7,914	10,361	8,342	10,701	8,957	340	3.3	615	7.4
Special Events	4,957	3,776	7,382	3,860	7,521	4,079	139	1.9	219	5.7
Tourism	2,003	1,642	1,918	1,398	1,797	1,347	(121)	(6.3)	(51)	(3.6)
Total Program Budget	30,033	22,347	36,509	24,297	33,677	24,597	(2,833)	(7.8)	300	1.2

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

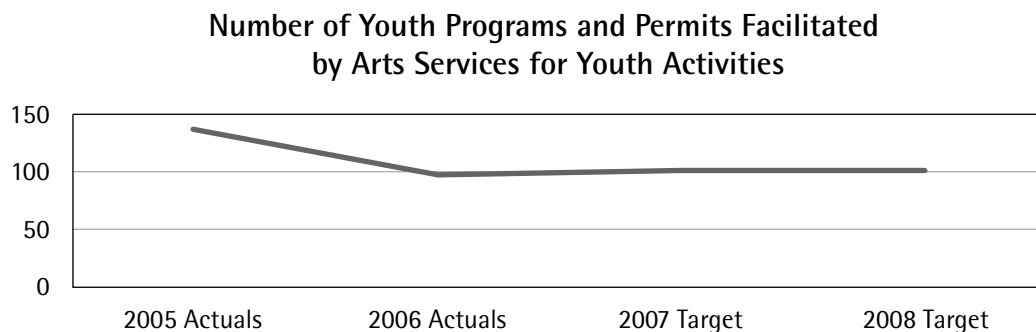
KEY PERFORMANCE MEASURES

Efficiency Measure

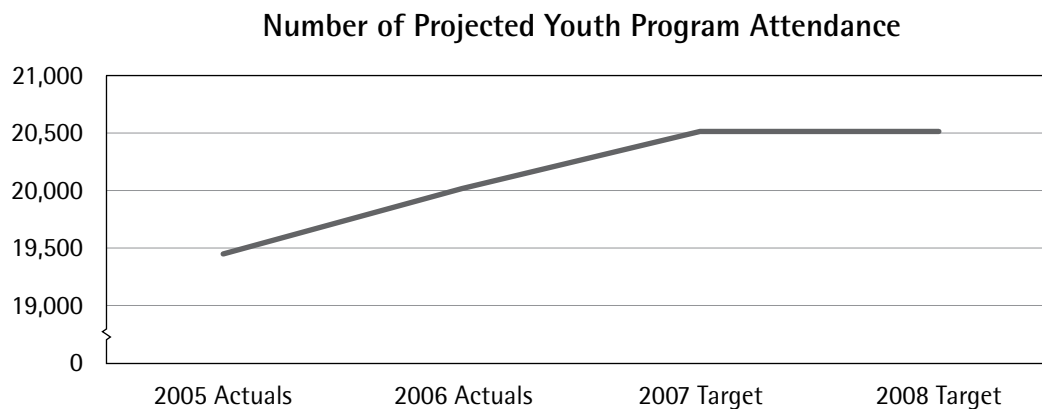


Spending per capita on Culture Programs is not increasing significantly.

Community Impact Measures



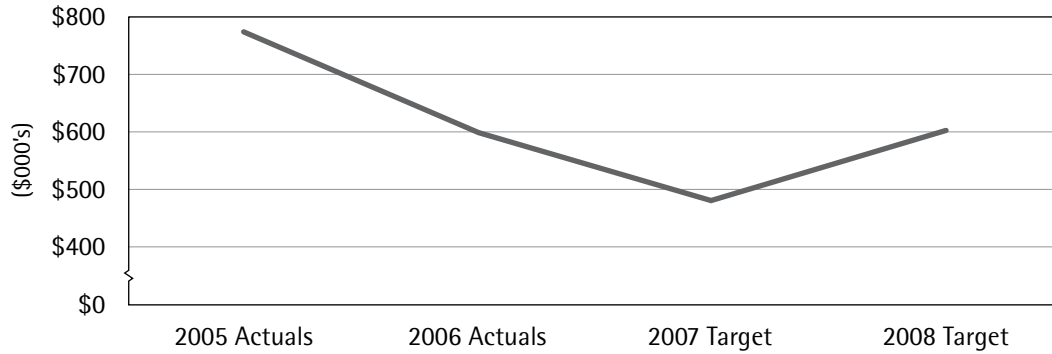
In 2005, Arts Services implemented an increased number of youth arts projects through Ontario Works (OW) in priority neighbourhoods. Although OW funding stopped in 2005, Arts Services has managed to continue providing quality arts programs for youth through creative partnerships.



Resources will continue to be used to maximize small but continuous growth in program attendance by youths.

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

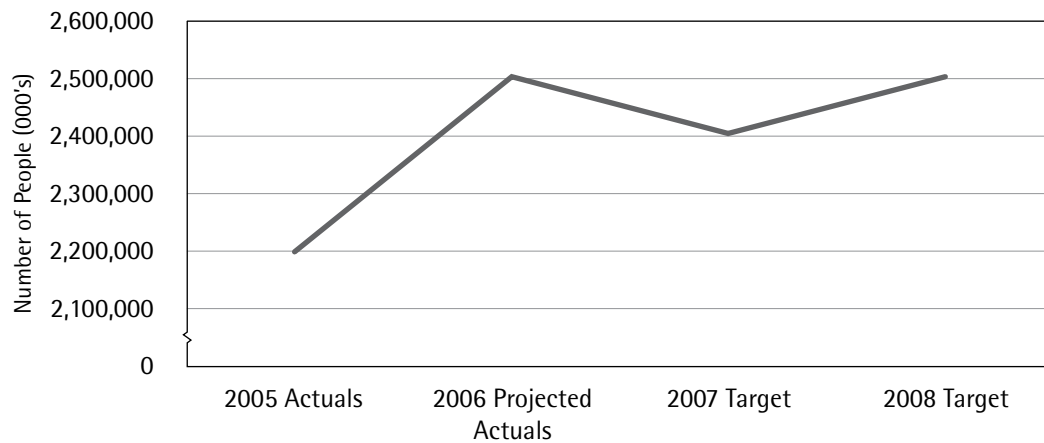
**Value of Film Spending in the City of Toronto
Major Productions**



Overall, production decreases in Toronto reflect the decline of formats, i.e. Movie of the Week in favour of reality TV, the increase in the relative value of the Canadian dollar and competition from other national and global jurisdictions.

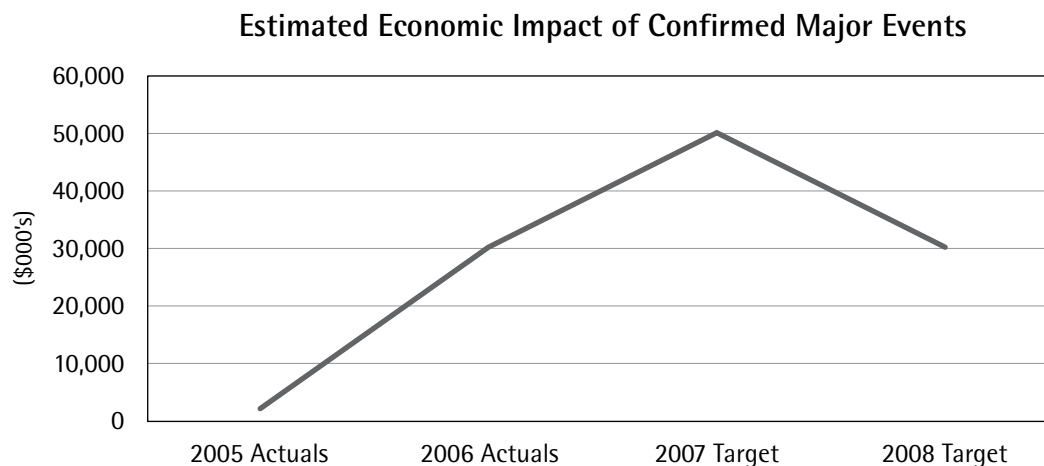
- 10% regional bonus is pushing production to other areas of Ontario due to Toronto's significant drop in share of provincial domestic production
- labour unrest in 2006 and ACTRA/CFTPA disruption in 2007
- Filmport to open in 2008 that will encourage large scale feature film production in Toronto

Number of People Attending City Produced Events



A continuous increase to attendance figures is forecasted based on event growth and profile.

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM



\$50 million to be generated by confirmed events such as Grey Cup and International Bowl in 2007. 2015 World Expo Bid is not moving forward which adjusts the 2008 target to \$30 million.

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following Services:

- Live with Culture continuing youth programs, and culture marketing as well as developing a web based portal, with \$0.590 million (gross and net) of funding applied from the International Profile initiative for no net budget increase
- an expanded Nuit Blanche event with reallocated funds of \$0.321 million net and new funding of \$0.300 million net for a total of \$1.131 million gross and \$0.621 million net
- programming at City facilities and other venues that reflect Toronto's diversity including continuation of the successful Live with Culture initiative
- increasing arts programs for children and youth through internal and external collaborations including Neighbourhood Action plans and other community initiatives from 97 in 2007 to 100 in 2007
- managing the capital program and addressing the requirements for the 69 heritage and cultural facilities under the stewardship of Culture (comprising more than 100 buildings) to bring cultural facilities closer to a state of good repair and to maintain the appearance of museums and cultural facilities (negotiate public/private partnerships, for facilities such as the Guild Inn)
- developing new public arts projects (restore public art in the City's collection and conduct annual cleaning of artworks, partner with other institutions to exhibit artifacts to increase public access, develop new exhibits and programs)
- supporting the Mayor's Economic Competitiveness Advisory Committee (established in 2006 to support the City as it develops its economic development strategy, in continuation of its work to engage the private sector to assist in its implementation in partnership with the City and prepare a new Economic Competitiveness Strategy for the City)
- implementing the cluster development strategies for Key Industry Sectors including Film, Biotech, Aerospace, InfoTech, and Financial Services (providing added support to the film sector which is facing a significant decline, increased global competition and pressure on its infrastructure base)

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

- completing the Premier Ranked Tourist Destination Framework
- developing a major event acquisition strategy and hosting policy for the City of Toronto and implementing major event support programs for FIFA U-20 World Cup Canada and Grey Cup
- implementing the current partnership agreement with Tourism Toronto and developing a new agreement for 2009
- producing annual events, festivals, exhibitions and campaigns for the residents of Toronto and visitors to the City, securing marketing strategies and developing marketing partnerships to promote event products and enhance leveraging opportunities

2008/2009 OPERATING BUDGET OUTLOOK

- To assist the Program in developing an integrated Strategic Plan, the Economic Development, Culture and Tourism Division will undergo a Program Review in 2007 to examine all functional areas, define and align mandates, policy objectives, organization structure and operations (Staff will report back prior to the commencement of the 2008 Operating Budget cycle on service delivery, efficiency and cost containment strategies to be identified through the Program Review.)

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- continued restoration and preservation projects for Casa Loma
- revitalized the area surrounding the Princes' Gates in a Toronto/Milan initiative that is part of the City's International Alliance Program. Design and construction of the piazza
- continued restoration of Fort York
- remediation of Don Valley Brick Works for adaptive reuse of the heritage buildings
- phase one of facility renewal project for the St. Lawrence Centre for the Arts
- streetscape improvements in Business Improvement Areas
- improved commercial building facades in Commercial Revitalization Areas
- revitalization of employment areas

FIVE-YEAR STRATEGIC OBJECTIVES

The Economic Development, Culture and Tourism Capital Program consists of four main project objectives: State of Good Repair, Casa Loma restoration, the St. Lawrence Centre for the Arts renewal project and BIA Projects.

State of Good Repair

The core State of Good Repair program includes 26 projects that address the requirements for the 69 heritage and cultural facilities under the stewardship of Culture (comprising more than 100 buildings). These projects are at sites such as Fort York, Spadina House, the St. Lawrence Centre for the Arts and Todmorden Mills.

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

Casa Loma Restoration

Casa Loma Restoration will continue from 2007-2012. Once the Casa Loma Restoration is completed by 2012 the exterior of the building should not require significant repairs for 60 years with routine maintenance.

St Lawrence Centre for the Arts Renewal

The St. Lawrence Centre will complete the project started in 2006 to update the appearance and public amenities of the building. Phase 1 concentrated on components to the Centre's façade, entrance vestibule and marquee. Phase 2 will refurbish upper and lower lobbies and the two theatres with completion planned for early Fall 2007.

Business Improvement Area (BIA) Programs

The BIA Streetscape Program will continue to cost share streetscape improvements in Business Improvement Areas.

- The General Manager of EDCT will review the eligibility guidelines and the procedures for reviewing and approving requests for the BIA Streetscape Improvement Program, the Commercial Façade Improvement Program and the Employment Revitalization Program. A report will be provided by June 2007 on a strategy for managing the growing demand for the three capital programs within debt affordability limits.

2007 CAPITAL BUDGET HIGHLIGHTS

- Casa Loma Exterior Restructuring requiring \$4.113 million in 2007 with 44% debt funding of \$1.813 million for work to be done on the southeast corner
- Don Valley Brickworks requiring \$0.880 million in 2007 (funded by debt) will allow for the adaptive reuse of the heritage buildings.
- St Lawrence Centre for the Arts Renewal Project requiring \$1.065 million in 2007, (funded by debt) will complete work on the entrance vestibule and to refurbish upper and lower lobbies and both of the Centre's theatres.
- 2007 BIA Streetscape Improvement Program at a total cost of \$5.010 million, (50/50 cost-shared with BIAs), requiring debt funding of \$2.516 million, will improve the appearance and physical conditions of public open spaces along retail streets.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following projects:

- State of Good Repair projects for facilities that form the core of the Culture portfolio are Culture's priority within the Five-Year Capital Plan for which \$14.399 million or 38% has been allocated over the five years.
- The Casa Loma Restoration project includes \$8.200 million total cash flow in the Five-Year Capital Plan.
- The BIA Streetscape Improvement Program includes \$19.052 million total cash flow in the Five-Year Capital Plan.

ECONOMIC DEVELOPMENT, CULTURE AND TOURISM

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Restoration/Preservation of Heritage Elements	960	-	-	-	-	960
Refurbishment & Rehabilitation	750	-	-	-	-	750
Collections Care	200	-	-	-	-	200
Major Maintenance	556	-	-	-	-	556
BIA Streetscape Improvements	938	252	-	-	-	1,190
Employment Revitalization Program	750	-	-	-	-	750
Commercial Façade Improvement Program	753	-	-	-	-	753
Total Previously Approved	4,907	252	0	0	0	5,159
New Projects						
Cultural Infrastructure Development	300	50	-	-	-	350
Fort York Program Development	50	-	-	-	-	50
Restoration/Preservation of Heritage Elements	4,359	500	-	-	-	4,859
Collections Care	250	100	-	-	-	350
Major Maintenance	50	-	-	-	-	50
BIA Streetscape Improvements	3,197	844	-	-	-	4,041
Employment Revitalization Program	111	-	-	-	-	111
Commercial Façade Improvement Program	464	753	-	-	-	1,217
Walk of Fame	500	-	-	-	-	500
Total New Projects	9,281	2,247	-	-	-	11,528
Total Economic Development, Culture & Tourism	14,188	2,499	0	0	0	16,687

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs only.

Asset Inventory

To manage the capital program and address the requirements for the 69 heritage and cultural facilities under the stewardship of Culture (comprising more than 100 buildings) to bring cultural facilities closer to a state of good repair and to maintain the appearance of museums and cultural facilities (Culture also has responsibility for major vacant City-owned heritage properties that include the Don Valley Brick Works, the John Street Roundhouse, the Guild Inn and the Wychwood Car Barns.)

Backlog Analysis

The known state of good repair (SOGR) backlog is \$69 million in Culture facilities at the end of 2006. The backlog is anticipated to be \$74.288 million by 2011 growing by 8% or \$5.288 million over five years. Culture staff continues to pursue opportunities with the private sector to establish partnerships that can further the City's Culture objectives and reduce its financial SOGR requirements.

EMERGENCY MEDICAL SERVICES (EMS)

MISSION STATEMENT

Toronto EMS exists to safeguard the quality of life in our city through the provision of outstanding ambulance-based health services, responding in particular to medical emergencies and to special needs of vulnerable communities through mobile health care.

2006 KEY ACCOMPLISHMENTS

- completed installation of industry-leading on-board computers to provide paramedics with instantaneous access to dispatch information and to easy-to-use mapping linked to geo-positioning satellite systems
- EMS transported to approximately 154,000 patients. In addition, EMS provided medically-necessary non-emergency ambulance transportation to an additional 18,400 people.
- continued to increase the percent of emergency calls to which full advanced life support paramedics respond through ongoing upgrade training for existing Level 1 paramedic staff

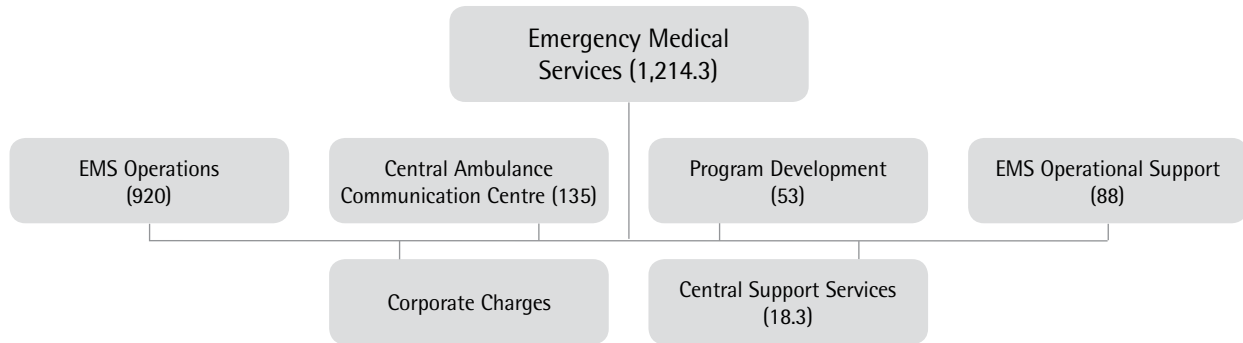
2007 PROGRAM OBJECTIVES

- place EMS on a sound financial footing through the restoration of the Province of Ontario's historical percentage of operational and communications centre funding
- continue to build partnerships within the City to improve services, particularly to the most vulnerable in the community such as the elderly and homeless (Through partnerships with Public Health, Homes for the Aged, Shelter and Housing, etc, EMS will be a key part of the City's social safety net, rather than a single-purpose "emergency service". EMS is becoming the emergency arm of healthcare providers as well as the healthcare arm of emergency providers.)
- Many of the buildings used by EMS are over 50-years-old and can no longer be sustained without considerable cost in terms of health and safety, logistics (many ambulance bays are too small for the current fleet) or financial (continual repair and maintenance is not cost effective). Therefore, a consultant's evaluation of the advantages and disadvantages of using upsized centralized book-on ambulance facilities has been completed, and EMS is finalizing its financial analysis. This information, as well as recommendations, will then be reported to the City Manager in July/August 2007. Options include implementing a pilot project in one sector of the City, full implementation of the project (at the discretion of Council), or possible deferral of the project.
- A new wireless electronic patient charting computer system will make the paramedics more efficient and effective in terms of patient care paperwork processing time which will in turn make them more available for response to calls.
- conclude a complete re-design of the process by which we receive, prioritise and dispatch ambulance calls in Toronto (Reconstruction and retraining of staff will continue throughout 2007.)

EMERGENCY MEDICAL SERVICES (EMS)

PROGRAM MAP

Emergency Medical Services is comprised of six services, with a total staffing complement of 1,214.3 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- A report on the financial impact of the centralized book-on stations (CBOS) and recommendations/options will be submitted to the City Manager in July/August 2007. The CBOS project supports EMS strategic direction to improve productivity, system performance, and operating efficiencies such as increased supply/inventory control, reduced end of shift overtime, and recovery of lost productivity hours.
- expansion of the Public Access Defibrillator (PAD) distribution and training – EMS expects to deploy an additional 110 AEDs in 2007 which will mean the training of an additional 1,210 people
- continue to work aggressively with key stakeholders in the reduction of the impact of hospital offload delay (This will free up ambulance resources to be more effectively used in emergency response.)

EMERGENCY MEDICAL SERVICES (EMS)

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	116,794.8	117,760.2	122,059.9	5,265.1	5
Materials & Supplies	5,966.2	6,351.0	6,267.9	301.7	5
Equipment	1,367.6	2,147.2	1,630.5	262.9	19
Services & Rents	5,109.1	5,295.1	5,396.6	287.5	6
Contributions & Transfers	5,546.9	5,386.9	5,907.4	360.5	6
Others (Includes IDCs)	7,743.6	7,800.1	7,934.2	190.6	2
Total Gross Expenditures	142,528.2	144,740.5	149,196.5	6,668.3	5
Funded by					
Prov. & Fed. Grants and Subsidies	79,211.5	74,167.8	84,597.1	5,379.6	7
User Fees	554.1	671.3	687.7	133.6	24
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	2,255.7	2,356.3	2,328.2	72.5	3
Total Non-tax Revenues	82,021.3	77,195.7	87,607.0	5,585.7	7
Net Budget	60,506.9	67,544.8	61,589.5	1,082.6	2
Approved Positions	1,200.3	1,205.3	1,214.3	14.0	1

2007 OPERATING BUDGET BY SERVICE

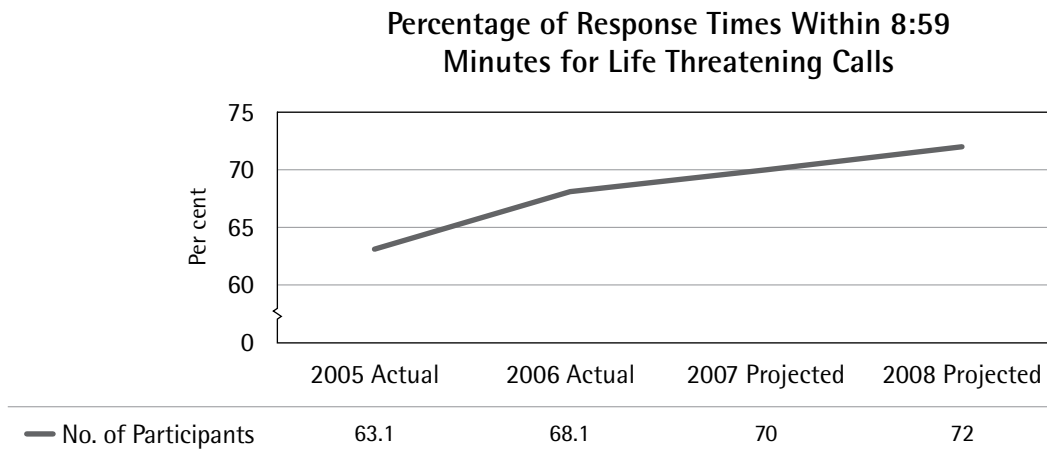
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
CACC	11,771	653	12,296	854	13,909	0	1,613	13	(854)	-100
Centralized Support Services	-	-	1,705	1,705	2,013	1,006	307	18	(699)	-41
Corporate Charges	7,922	7,922	6,206	6,206	6,194	3,097	(11)	0	(3,109)	-50
EMS Operations Support	18,627	9,464	20,336	8,974	20,835	7,789	500	2	(1,185)	-13
EMS Operations	90,532	46,845	94,725	39,810	98,406	46,637	3,681	4	6,827	17
Program Dev't & Serv Quality Review	6,237	2,635	7,261	2,958	7,840	3,060	579	8	102	3
Total Program Budget	135,089	67,519	142,528	60,507	149,197	61,590	6,668	5	1,083	2

EMERGENCY MEDICAL SERVICES (EMS)

KEY PERFORMANCE MEASURES

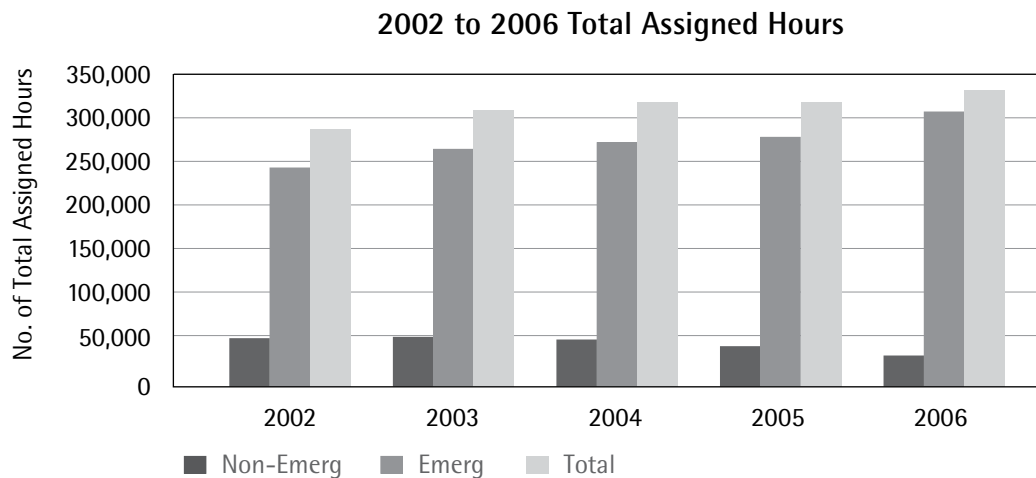
Efficiency Measure

- Hospital Off-load delay has significantly affected the movement of ambulances out of hospital emergency departments. Available ambulance resources are being depleted which puts a strain on resources and impacts EMS response to emergency calls in the City. The provincial standard response time is 84% of calls within 8:59 minutes (based on EMS' 1996 performance).



Community Impact Measure

- Total service time has risen by 14% from 2002 to 2006. Each service hour represents 2 paramedic hours, resulting in EMS workload increasing by 86,794 hours since 2002. This is equivalent to 41.7 paramedics (one paramedic represents 2,080 hours a year).
- This graph measures the total call service time by type (emergency, non-emergency and total).



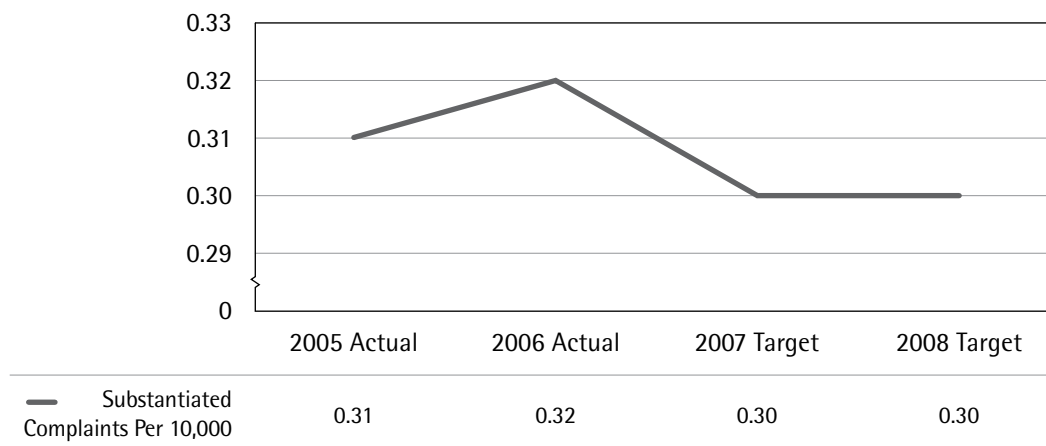
EMERGENCY MEDICAL SERVICES (EMS)

Year	Assigned Hours			Increase in Hours		% Increase in Hours	
	Non-Emerg	Emerg	Total	Annual	Accumulated	Annual	Accumulated
	2002	44,883	244,110	288,992	-	-	-
2003	46,221	261,177	307,397	18,405	18,405	6	6
2004	44,672	271,912	316,583	9,186	27,591	3	9
2005	39,157	277,939	317,097	513	28,104	0	10
2006	28,209	304,180	332,389	15,23	43,397	5	14

Customer Service Measure

- The customer service record of EMS in terms of substantiated complaints has levelled off at 0.30 which is at acceptable levels. This represents 55 substantiated complaints out of 172,000 calls.

Substantiated Customer Complaints Per 1,000 Transported



2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget includes the resources for EMS to operate from forty ambulance stations located across the city, with a fleet of 152 ambulances and staff of 849 paramedics that provide 24-hour emergency medical response for the City of Toronto, a service district encompassing 650 square kilometres with a daytime population of 3.5 million. EMS's core services are:

- EMS Operations is responsible for providing 24-hour emergency and non-emergency pre-hospital medical care and transportation to individuals experiencing injury or illness and out-of-hospital patient care. EMS not only provides the traditional role of ambulance services but also a wide range of additional services aimed at providing better emergency medical care outside the hospital.

> Response Program

This program utilizes single paramedic vehicles designed to immediately respond to medical emergencies. EMS responded 293,225 times to emergency and non-emergency calls resulting in 172,428 patient transports in 2006.

EMERGENCY MEDICAL SERVICES (EMS)

- > **Emergency Support Unit (ESU)**
ESU consists of specially equipped buses and trucks used to support large-scale medical emergency. ESU responds to approximately 6,000 major emergency incidents a year including fires, motor vehicle accidents, airport incidents and any other large patient incident. In 2006, EMS responded to two key ESU incidents: the Air France plane crash as well as Peel Region EMS's request to assist in the transport of wounded soldiers from Pearson Airport to area hospitals.
- > **Critical Care Transport Unit (CCTU)**
CCTU is composed of specially trained advance care paramedics that transport critically ill patients between health care facilities. EMS provides approximately 2,400 emergency transports a year.
- > **Bike Medics**
The primary objective of this program is to provide rapid response to medical emergencies in small, contained areas that might not be accessible by an ambulance vehicle.
- > **Community Medicine Program**
This program includes staff working with the community to reduce the demands on Toronto EMS through public education. Toronto was one of the first EMS agencies in Ontario to provide influenza vaccination to the homeless and marginally-housed persons. EMS expects to increase immunization numbers by 10% from 3,000 in 2006 to 3,300 in 2007.
- > **Cardiac Safe City Program**
EMS, in partnership with Sunnybrook and Women's College Base Hospital developed this program to ensure the provision of community Cardiopulmonary Resuscitation (CPR) and the use of Public Access Defibrillators (PAD) within the City of Toronto. The expansion of the Public Access Defibrillation Program will provide approximately 100 Automatic External Defibrillators (AED) across the City to ensure rapid treatment of those who suffer a cardiac arrest on site.
- > **Training Facility**
EMS operates the largest paramedic training academy in Canada, and may train as many paramedics as any institution in North America. EMS's paramedic training is fully accredited by the Canadian Medical Association. EMS will be offering an estimated 45 first aid training courses and 26 AED provider courses per month or train approximately 14,000 participants in 2007.
- Central Ambulance Communications Centre (CACC) includes activities such as call receiving and prioritization of emergency and non-emergency calls from the general public and healthcare institutions, resource deployment and dispatching of all calls, and patient transport coordination and distribution to hospital emergency and healthcare institutions. EMS is projecting an increase of five per cent on the number of calls, received from the public, over 2006 levels of 338,900 calls in 2007.
- EMS Operational Support includes activities such as: Fleet procurement and maintenance; Materials Management; Engineering and CACC Systems Support; Equipment Services; Facilities Maintenance; plus Payroll and Clerical Services which were transferred in 2006 from Central Support Services, Works and Emergency Services.
 - > **Materials Management**
Track station medical supply usage and restock promptly and ensure immediate availability of specialized Personal Protective Equipment (PPE) regularly and in preparation for a possible epidemic.

EMERGENCY MEDICAL SERVICES (EMS)

> Equipment Services

Ensure non-disposable medical equipment (stretchers, oxygen, etc.) is maintained in accordance with regulatory standards.

> Facilities Management

Maintain over 40 station facilities as well as the EMS-Fire Headquarters and Communications Centres building (and Police Back up Communications Centre).

2008/2009 OPERATING BUDGET OUTLOOK

- A major challenge for 2007 and beyond will be to maintain effective deployment of available resources to meet the 1996 established response time standard of 84% within 9 minutes. As a result of hospital offload delays, EMS paramedics continue to care for ambulance patients for extended periods after their initial arrival at the hospital and this has been a principal factor in the degradation of EMS's response time to only 68.1% within 9 minutes in 2006.
- A key issue facing Toronto EMS continues to be hospital offload delay, as over the past several years, EMS paramedics have been requested to continue caring for ambulance patients after their initial arrival to the hospital. Paramedics regularly stay past their 12-hour shift which has resulted in over expenditures in overtime. EMS has so far absorbed the over expenditure through gapping and other non-salary cost containment measures; however, this has further contributed to the degradation of EMS's response time. Discussions on resolving hospital offloading issues are continuing between EMS and the provincial Ministry of Health and Long-Term Care.
- Based on recent discussions with provincial staff, EMS is anticipating an increase in funding in 2008 of approximately 6% or \$3.9 million for Land Ambulance Services (50% cost shared) and approximately 3% for CACC (provincially funded at 100%) to offset base pressures due to Cost Of Living Allowance and inflationary increases. These additional revenues have not been factored in the 2008 and 2009 Outlook pending official confirmation from the Province.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completion of a joint Police and EMS station serving the needs of the Scarborough community
- EMS made great strides in the implementation of the electronic data collection – the Electronic Patient Care record (EPCr) system will automate the currently manual Ambulance Call Report (ACR) form which will then be downloaded into an EMS database, thereby decreasing data entry errors. Efficiencies will be realized by eliminating the need for manual data entry, thus reducing the time required for ambulance crews to 'clear' hospital emergency departments after completion of their calls.
- EMS has completed two thirds of the implementation of the radio infrastructure project, necessary to optimise the use of the portable radios acquired through the Portable Radio System Capital Project.
 - > The EMS paramedics require improved means to communicate with the Central Ambulance Control Centre (CACC) from the scene of an incident in order to request back up assistance and receive updates on hospital emergency department status. The implementation of improved portable

EMERGENCY MEDICAL SERVICES (EMS)

communications equipment is necessary to guarantee the safety of EMS paramedics and the best care for the patient.

FIVE-YEAR STRATEGIC OBJECTIVE

- 2007 Objectives/Outcomes – Toronto EMS will continue to maintain its aging assets in a state of good repair and continue with previously approved technology projects, while awaiting a decision regarding the CBOS project proposal. It will also continue to develop additional communications centre deployment refinements to meet both demographic and geographic response demands. In doing so, Toronto EMS will maintain its high standards for response time to the community.
- The Five-Year Capital Plan provides funding for the following: the reconstruction or replacement of nine ambulance stations; the distribution of 70 automatic external defibrillators per year to City of Toronto workplaces and facilities; the purchase of approximately 125 radio (voice) communications devices to field staff; provide ongoing maintenance and repair to approximately 30 ambulance stations across the City; and the completion of previously approved technology infrastructure projects such as the electronic data communication and mobile data communications projects.

2007 CAPITAL BUDGET HIGHLIGHTS

- The 2007 Capital Budget, 2008 to 2011 Plan and 2012 to 2016 Estimates total \$80.174 million of which \$31.756 million is projected for the Program's Five-Year Capital Plan requiring debt funding of \$25.0 million. The 2007 Capital Budget includes:
 - > previously approved commitments and new projects requiring 2007 cash flow of \$5.772 million. (This cash flow combined with carry forward funding of \$3.394 million for 2006 projects bring the total 2007 Capital Budget to \$9.166 million.)
 - > future year commitments of \$4.942 million in 2008; \$1.926 million in 2009; and, \$0.350 million in 2010. (The construction of ambulance stations requires funding spread over a three-year period.)
- The 2007 Capital Budget includes new funding for the reconstruction or replacement of four stations at an average cost of \$1.8 million per station (one station to be completed in 2007, two stations in 2008 and one station in 2009), ongoing maintenance and repairs of ambulance facilities, and the design and analysis of required upgrades to the power supply and support systems of the EMS Fire communication centre at the 4330 Dufferin St. facility.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan of \$31.756 million with new debt funding of \$25.0 million meets the debt affordability target for the five-year period. EMS's Five-Year Capital Plan consists primarily of projects necessary to maintain facility assets in a state of good repair and to continue previously approved technology infrastructure projects pending City Council's approval of the Centralized Book-On Station project.

The Five-Year Capital Plan consists of 6% for Health and Safety projects at \$1.69 million, 84% for State-of-Good-Repair projects at \$24.590 million; 4% for Service Improvement projects at \$1.103 million; and 6% for Growth Related projects at \$1.857 million.

EMERGENCY MEDICAL SERVICES (EMS)

Health and Safety projects include the Public Access Defibrillator (PAD) Program (\$0.660 million) and the Defibrillator Purchase (\$1.03 million) projects. The PAD Program will provide approximately 70 Automatic External Defibrillators (AED) per year to City of Toronto workplaces and facilities to ensure rapid treatment of those who suffer a cardiac arrest on site. The Defibrillator Purchase project is to ensure cardiac monitors/defibrillators are replaced after reaching a normal life cycle of five to seven years.

State of Good Repair projects totalling \$24.59 million continue to represent a major portion of the EMS's Five-Year Capital Plan, and are primarily directed towards the rehabilitation of existing ambulance stations. Stations scheduled for replacement are former gas service or police stations that were converted to ambulance facilities nearly 25 years ago, with some dating back to the 1920s. These facilities no longer meet the operational needs of EMS and require substantial state of good repair and redevelopment costs. These projects include the replacement of nine ambulance stations at an average cost of \$1.8 million per station.

Service Improvement/Growth project totalling \$2.96 million provide for radio infrastructure for portable radios, completion of the CBOS study and construction of a new station in the waterfront (Commissioner St Station) area where the proposed Toronto Waterfront Revitalization plan will be implemented.

- The Radio Infrastructure for Portable Coverage project of \$0.903 million over four years consists of the purchase of approximately 125 radio (voice) communication devices that will enable EMS to communicate with the current Fire and Police Services communication system. These radios will also be compatible with the Radio Communication System Replacement Project, a joint project with Fire and Police Services.

EMERGENCY MEDICAL SERVICES (EMS)

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Defibrillator Purchases	850	180	-	-	-	1,030
Centralized Book-on Station (CBOS)	100	100	-	-	-	200
CACC	500	-	-	-	-	500
Radio Infrastructure for Portable Coverage	203	-	350	350	-	903
Mobile Data Communications	40	-	-	-	-	40
Total Previously Approved	1,693	280	350	350	-	2,673
New						
Asset Management	1,118	1,298	-	-	-	2,416
Public Access Defibrillator	160	250	-	-	-	410
Station 29, McCowan/Sheppard	600	-	-	-	-	600
Analysis & Design - HQ Power System	330	-	-	-	-	330
Station 14, Etobicoke (North)	327	1,171	1,576	-	-	3,074
Station 17, Bathurst & York Downs	772	443	-	-	-	1,215
Station 19, Turnberry	772	1,500	-	-	-	2,272
Total New	4,079	4,662	1,576	-	-	10,317
Total Emergency Medical Services	5,772	4,942	1,926	350	-	12,990

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs only.

ASSET INVENTORY

The City owns properties housing 40 facilities including district hubs ambulance stations and head office, representing a total area of 212,325 sq. ft.

BACKLOG ANALYSIS

The accumulated state of good repair backlog at the end of 2006 is estimated to be \$2.895 million primarily for ambulance stations that were former gas stations built 30 to 50 years ago. State of good repair projects totalling \$24.950 million included in the Five-Year Capital Plan is not sufficient to address the SOGR requirements of EMS within the five-year period. The SOGR backlog is estimated to grow by an average of \$0.340 million, resulting in an accumulated SOGR backlog of \$4.611 million by 2011.

EMS's State of Good Repair projects account for 84% or \$24.59 million of the Five-Year Capital Plan of \$29.24 million. These projects consist primarily of replacing existing stations and maintaining facility assets

EMERGENCY MEDICAL SERVICES (EMS)

in a state of good repair. As a result of funding constraints in previous years, the projected backlog of state of good repair by year-end 2006 is \$2.895 million, listed as follows:

- \$2.135 million for various state of good repairs of 7 stations, hubs and garage door widening
- \$0.400 million for generators
- \$0.200 million for Station Security
- \$0.110 million for Visual Identity (Renaming of stations)

EMS has identified an average annual funding requirement of \$1.95 million to maintain their current 40 stations in a state of good repair. The Five-Year Capital Plan addresses only approximately \$1.6 million of these requirements, resulting in an average SOGR backlog increase of \$0.350 million per year or an accumulated backlog of \$4.611 million by 2011. Since the available debt funding for SOGR projects is insufficient to address EMS's capital needs, EMS and Facilities and Real Estate conducted a facility assessment to determine priorities and needs requirements of facilities that can be accommodated within the debt affordability guideline with special emphasis placed on health and safety issues.

HOMES FOR THE AGED

MISSION STATEMENT

The Homes for the Aged is responsible for developing and implementing a continuum of care and services to eligible adults in long-term care homes, at supportive housing sites and in clients' own homes. The division is committed to providing services in a manner that supports, respects and enables residents, clients, families, staff, volunteers and community stakeholders. The over-reaching goal is to enrich the lives of those we serve.

2006 KEY ACCOMPLISHMENTS

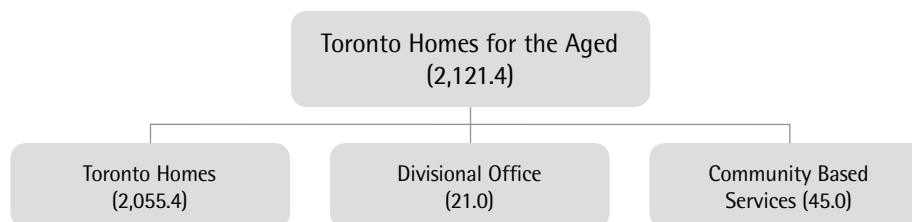
- enhanced the continuum of care through linkages, and introduced a convalescent care program in partnership with the Ministry of Health and Long-Term Care (MOHLTC) and local hospitals
- increased the focus of health promotion and health teaching through assessment, staff and family education and health promotion programming
- realized a satisfaction rate of over 98%
- initiated joint planning forum with the five Local Health Integration Networks (LHIN) and the City of Toronto
- demonstrated leading practices in dementia care, restorative care and care programs (e.g. falls prevention)

2007 PROGRAM OBJECTIVES

- provide high quality resident and client-focused care and service in a manner that maintains public accountability and consumer confidence
- focus on providing individualized care that respects, supports and enables people to be as independent as possible
- improve services through a quality improvement approach, achieving a high level of satisfaction in each program provided
- provide specialized services for residents with specific profiles who require care in a long-term care home
- develop targeted recruitment plan for entry level or internship positions toward hiring youth from at-risk communities
- develop a youth entrepreneurship landscaping and/or indoor plant maintenance program
- provide specialized services to better meet the needs of the community
- adopt care and service delivery to respond to the health transformation that best meets City priorities and citizen need
- advocate to government at all levels for improvement in the healthcare continuum and enhancements to the funding, resources and standards of long-term care
- strengthen relationships with the Ministry of Health and Long-Term Care (MOHLTC), Community Care Access Centers (CCAC), other City health providers and Local Health Integration Networks (LHIN)

HOMES FOR THE AGED

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- to influence positive outcomes for Toronto's communities and the broader health system through our leadership and expertise in long-term care
- to establish and maintain a culture of quality and safety that responds to the well-being, comfort and safety needs of residents and staff
- to promote integration, and efficiency within the healthcare system through collaboration with other healthcare providers
- to continue to realign community-based services, based on stakeholder/client assessment & emerging community needs

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	150,191.7	143,911.3	156,971.0	5,265.1	0.0
Materials & Supplies	15,727.6	17,217.1	16,841.3	1,113.7	0.1
Equipment	3,233.1	2,005.6	2,307.3	(925.8)	(0.3)
Services & Rents	14,856.9	12,948.7	14,978.8	121.9	0.0
Contributions & Transfers	794.9	794.9	794.9	0.0	0.0
Others (Includes IDCs)	473.0	337.2	426.9	(46.1)	(0.1)
Total Gross Expenditures	186,005.2	177,214.8	192,320.2	6,315.0	(0.3)
Funded by					
Prov. & Fed. Grants and Subsidies	107,455.4	102,205.4	110,224.1	2,768.7	0.0
User Fees	44,630.8	43,893.0	45,550.7	919.9	0.0
Reserves / Reserve Funds	1,011.9	0.0	3,498.5	2,486.6	2.5
Other (Includes IDRs)	255.2	596.2	395.0	139.8	1.3
Total Non-tax Revenues	153,353.3	149,694.6	159,668.3	6,315.0	3.8
Net Budget	32,651.9	30,520.2	32,651.9	(0.0)	(4.1)
Approved Positions	2,126.8	2,126.8	2,121.4	(5.4)	0%

HOMES FOR THE AGED

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Community Based Services	9,624	1,791	10,327	1,556	10,294	1,823	(34)	(0.0)	267	0.2
Divisional Office	1,511	432	1,584	506	1,697	335	113	0.1	(171)	(0.3)
Toronto Homes	168,857	30,510	174,094	30,950	180,330	30,494	6,236	N/A	(96)	N/A
Total Program Budget	179,992	32,733	186,005	32,652	192,320	32,652	6,315	0.0	-	0.0

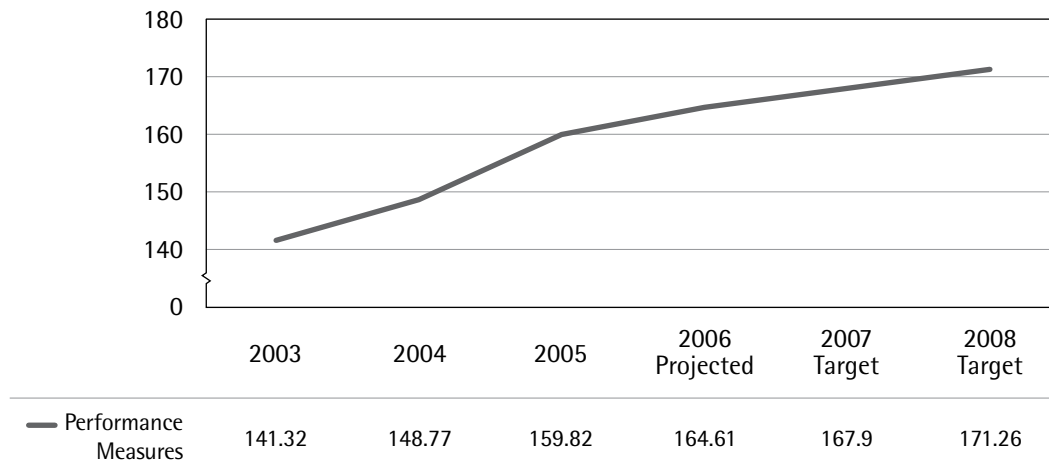
KEY PERFORMANCE MEASURES

The ten homes provide a continuum of long-term care and services through both permanent admission and short-term stay programs to 2,641 residents, primarily adults with varying degrees of physical frailties, cognitive impairment and complex care needs.

EXPENDITURE PER DIEM

Changes in the expenditure per diem are due primarily to cost of living allowance (COLA) increases, changes in provincial long-term care program standards, and the fact that residents admitted to our homes are more frail and have more complex health care needs than in previous years.

Expenditure Per Diem

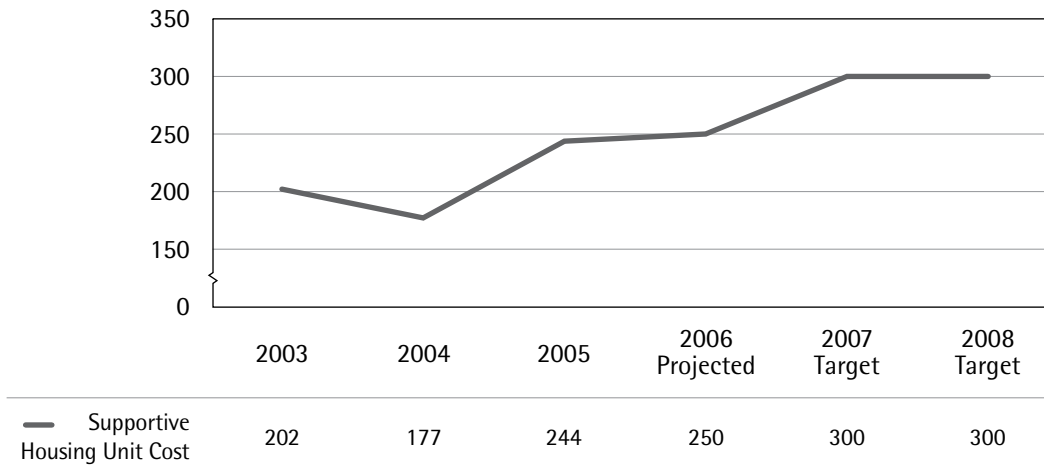


HOMES FOR THE AGED

SUPPORTIVE HOUSING CLIENTS

The Supportive Housing Program provides personal support services to clients whose individual needs require the availability of 24-hour, on-site assistance.

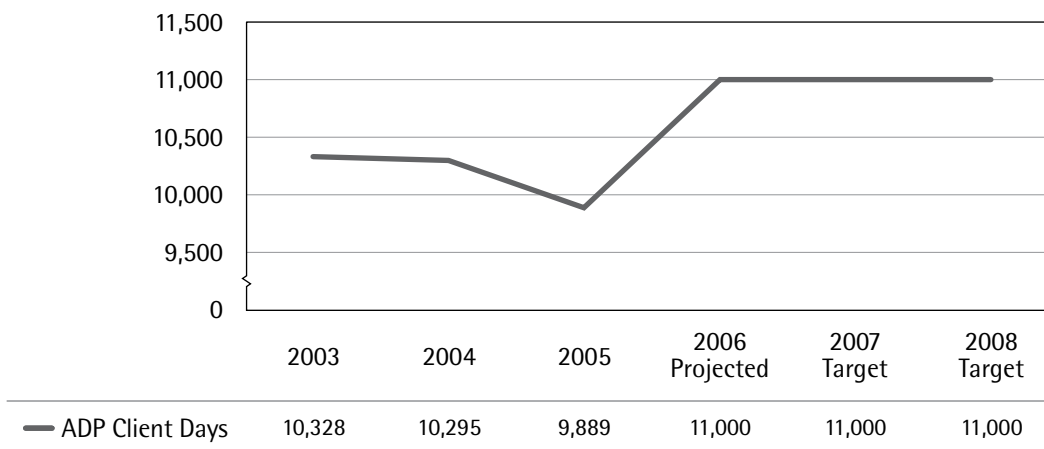
Supportive Housing Clients



ADULT DAY PROGRAM CLIENT DAYS

The Adult Day Program offers clients living in the City the opportunity to achieve and maintain their optimal level of functioning. The high demand for caregiver relief has added pressure on the resources of the Adult Day Program.

Adult Day Program Client Days



HOMES FOR THE AGED

2007 OPERATING BUDGET HIGHLIGHTS:

- Homemakers and nurses services are provided to clients in their own homes. Service levels are approximately 110,000 client visits, of whom 50% are frail and elderly; 28% have a chronic illness; 8% are physically disabled; and 10% have a psychiatric disability.
- Supportive housing provides personal support services to approximately 300 clients in a number of contracted sites. The majority of the clients are over 59 years of age.
- Four of the City's homes offer adult day services to clients who live in the community (approximately 11,000 client days annually), of whom the majority are over 75 years of age and exhibit a variety of physical and cognitive deficits.

2008/2009 OPERATING BUDGET OUTLOOK

The 2008 and 2009 Outlook is a net increase of \$9.907 or 30.3% and \$1.586 million or 4.8% respectively.

- 2008 includes ongoing cost of living allowance (COLA), merit and step increases, reversal of one-time funding of the 2003 and 2004 provincial settlement and inflationary increases for materials and supplies, offset by an increase of \$1.5 million in provincial subsidy
- 2009 includes merit and step increases and inflationary increases for materials and supplies, offset by an increase of \$1.5 million provincial subsidy

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completed a comprehensive independent building condition assessment that evaluated the electrical, plumbing, structural, mechanical, HVAC (heating, ventilation, air-conditioning and cooling), brickwork, roofs and fall arrest systems of all ten homes
- continued to improve and adapt the environments of the ten homes in order to respond to the care, comfort and safety needs of residents with higher acuity and dementia, and to enhance the safety systems in each of the ten homes
- completed construction and introduced in-home laundry facilities in all ten homes
- received approval from the MOHLTC to initiate a program of convalescent care at three homes and a program of low tolerance, long duration rehabilitation at one home, in partnership with MOHLTC and local hospitals
- achieved/maintained full three-year accreditation status in all ten homes with the Canadian Council on Health Services Accreditation

HOMES FOR THE AGED

FIVE-YEAR STRATEGIC OBJECTIVE

- Homes for the Aged is committed to ensuring that the long-term sustainability of the homes physical plants and financial assets are maintained, and ensure that life-safety issues are regularly addressed. The capital maintenance program is designed to maintain the homes in a state of good repair, ensuring that the repair and is ongoing, preventing the likelihood of incurring more expensive repairs in the future.
- Planned expenditures include the following upgrades: bathroom fixtures, ventilation systems, HVAC and heating plant, nurse-call systems, fire alarm/suppression systems, flooring, windows and doors, plumbing and elevator, roofing repairs/replacements and various building structural enhancements.
- Sufficient funding, reflecting the need for ongoing maintenance of the City's ten homes, is included in the budget for Homes for the Aged, representing approximately 2.4% of the total asset value (replacement value) of the homes.

2007 CAPITAL BUDGET HIGHLIGHTS

- The 2007 Approved Budget provides funding for ongoing capital maintenance, requiring new cash flow of \$9.0 million, with \$1.4 million funded from debt and \$7.6 million from the HFA Capital Reserve Fund. This cash flow, combined with the 2006 carry-forward funding of \$1.8 million into 2007 (funded from the HFA Capital Reserve Fund), brings the total 2007 Recommended Capital Budget to \$10.8 million.
- 65% of the 2007 Recommended Capital Budget is allocated to Health and Safety at \$7.0 million and 35% to State of Good Repair at \$3.8 million.
- No future year commitments are required for the approval of the 2007 Recommended Capital Budget, as the maintenance plan is comprised of discrete projects that will be completed within the one-year period.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
New Projects						
2006 HFA Maintenance (Health & Safety)	6,200	-	-	-	-	6,200
2006 HFA Maintenance (State of Good Repair)	2,800	-	-	-	-	2,800
Total New Projects	9,000	-	-	-	-	9,000

HOMES FOR THE AGED

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs.

ASSET INVENTORY

Homes for the Aged operates ten homes across the City with a total capacity of 1.456 million square feet. These facilities provide both permanent and short-term programming to over 2,600 residents. Aside from the three homes that have recently been fully renovated, the average age of the homes is 19 years. The insured value of the homes is approximately \$240.4 million.

BACKLOG ANALYSIS

A comprehensive building condition assessment, as completed by Paradigm Engineering Group Inc. in the spring of 2006, has identified a backlog of SOGR maintenance of \$11.6 million, which will be reduced to \$2.305 million by 2011. The Recommended Five-Year Capital Plan includes SOGR maintenance expenditures totalling \$9.3 million.

PARKS, FORESTRY AND RECREATION

MISSION STATEMENT

Our City, Our Parks, Our Playground – to provide world-class parks, a healthy urban forest and a wide variety of leisure opportunities and recreation skills and experiences to the diverse communities of Toronto in order to steward the environment, support lifelong active living and contribute to child and youth development.

2006 KEY ACCOMPLISHMENTS

- supported Waterfront Revitalization initiatives including: Interim sports fields, Cherry Beach, Don River Park, and Commissioners Park
- supported Clean and Beautiful City initiatives including: weekly grass cutting, increased litter picking, recycling containers in parks, 28 Flower Power WOW Gardens, augmented existing horticultural displays, planted over one million flowers, supported roundtable on a Beautiful City, including the Parks Renaissance & Urban Street Trees Sub-committee
- supported community safety: hired over 400 youth in priority neighbourhoods and implemented Neighbourhood Action Teams
- reduced the illegal dumping and household garbage in the parks with the introduction of new bylaw enforcement officers
- increased access and diversity consultations that resulted in new culturally diverse recreation programs, special community outreach events, pilot programs, diversity training and partnerships with over 40 agencies, organizations, and advocate groups

2007 PROGRAM OBJECTIVES

Parks, Forestry and Recreation will continue implementing Council's priorities and the division's service improvement priorities including:

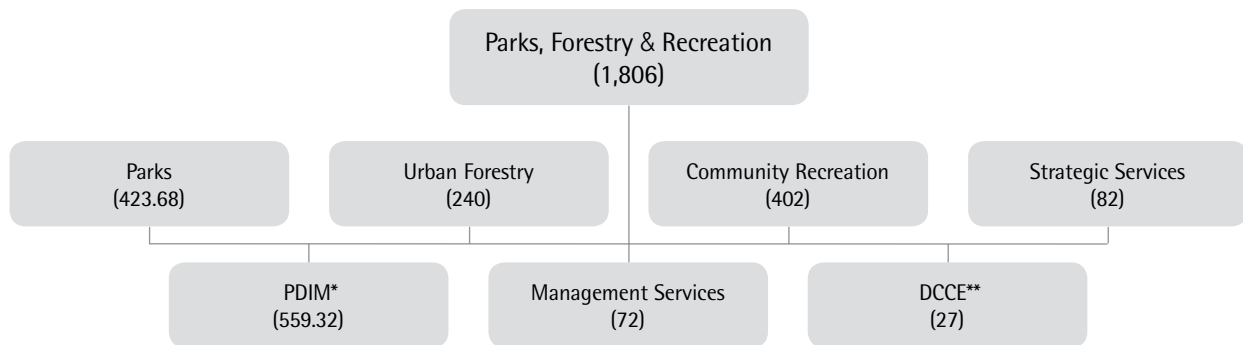
- strengthening at-risk neighbourhoods with emphasis given to target areas with high-needs communities
- making progress on the waterfront including partnerships with agencies and organizations on projects such as Cherry Beach, Ireland Park and seawall improvements
- addressing historical service and financial challenges by integrating the priorities of the division's Strategic Plan, Our Common Grounds, with organizational plans for the division's new service branches
- completing the division's reorganization to the front line
- setting and consistently achieving service standards across the city
- contributing to the Clean and Beautiful City Initiative through the Parks and Trees Renaissance Program
- contributing to the Community Safety Plan through improved youth services and support to staff when critical incidents occur

PARKS, FORESTRY AND RECREATION

- completing a Full-Costing Review of Recreational Services
- completing an accessibility review as well as a review of the Welcome Policy; a low-income recreational subsidy program
- development of a Divisional Safety Plan
- improving Health & Safety training and compliance

PROGRAM MAP

Parks, Forestry and Recreation is comprised of seven services with a total staffing complement of 1,806 approved positions.



*PDIM: Parks Development and Infrastructure Management

**DCCE: Divisional Coordination and Community Engagement

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- implementing the Parks and Trees Renaissance Program
- supporting youth engagement and providing meaningful interaction via participation in recreation in order to facilitate the building of self esteem
- getting services right; including service planning and costing
- contributing to the 3-1-1 initiative and technology planning
- promoting community and stakeholder engagement to better support the delivery of recreational programs and services
- introducing a financial accountability framework

PARKS, FORESTRY AND RECREATION

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	200,828.1	203,401.9	213,047.2	12,219.1	6
Materials & Supplies	33,909.5	28,954.2	34,375.7	466.2	1
Equipment	2,474.1	1,515.0	3,140.5	666.4	27
Services & Rents	31,590.2	35,477.2	32,514.6	924.4	3
Contributions to Capital	702.1	360.4	608.7	(93.4)	-13
Contribution to Res/Res Fund	9,564.6	9,541.2	9,700.4	135.8	1
Other Expenditures	416.6	603.1	416.5	(0.1)	0
Interdepartmental Charges	9,681.1	12,325.9	10,105.6	424.5	4
Total Gross Expenditures	289,166.3	292,178.9	303,909.2	14,742.9	5
Funded by					
Interdepartmental Recoveries	1,247.0	1,599.3	2,985.1	1,738.1	139
Provincial Subsidies	155.2	408.8	155.2	0.0	0
Federal Subsidies	3,616.0	2,560.7	3,616.0	0.0	0
Other Subsidies	0.0	42.3	0.0	0.0	N/A
User Fees & Donations	54,093.3	52,606.9	56,558.9	2,465.6	5
Transfers from Capital Fund	3,363.5	4,073.3	3,363.5	0.0	0
Contribution from Res Funds	1,354.2	1,354.2	1,329.2	(25.0)	-2
Contribution from Reserves	0.0	0.0	0.0	0.0	N/A
Sundry Revenue	9,132.2	9,836.1	9,300.1	167.9	2
Total Revenue	72,961.4	72,481.6	77,308.0	4,346.6	6
Total Net Expenditures	216,204.9	219,697.3	226,601.2	10,396.3	5

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Parks	72,494	68,722	67,398.7	64,069.2	70,976	67,278	3,577	5.3	3,209	5.0
Community Recreation	94,911	67,259	94,677.0	53,620.3	100,094	55,566	5,417	5.7	1,946	3.6
Urban Forestry	22,283	18,009	29,955.4	20,029.0	26,933	21,955	1,978	7.9	1,926	9.6
Strategic Services	19,359	541	17,214.5	(2,454.9)	17,756	(2,370)	541	3.1	85	(3.5)
Parks Dev. & Infrastructure Mgmt	60,123	44,136	74,334.5	70,438.2	77,320	73,423	-	-	-	-
Div. Coord & Community Engage.	2,946	2,946	2,164.5	2,160.5	2,387	2,383	223	10.3	223	-
Management Services	4,466	2,976	8,421.7	8,342.5	8,444	8,365	23	-	23	0.3
Total Program Budget	276,581	204,589	289,166	216,205	303,909	226,602	14,743	5.1	10,397	4.8

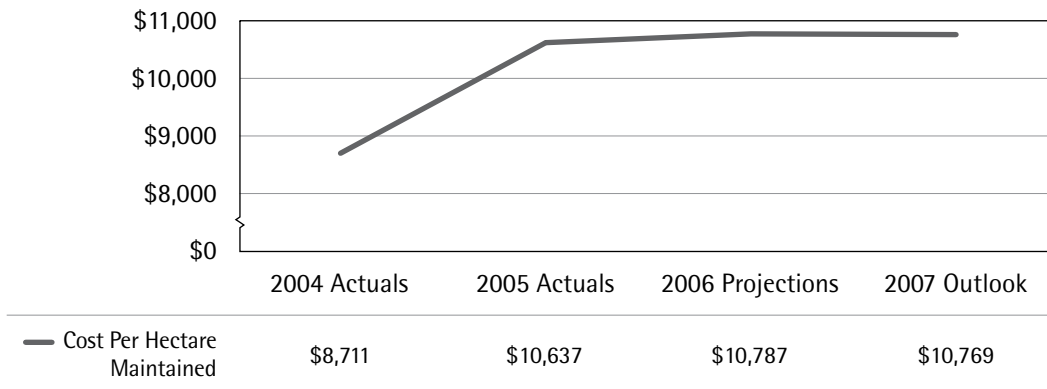
PARKS, FORESTRY AND RECREATION

KEY PERFORMANCE MEASURES

Parks

Cost per hectare maintained will remain stable in 2007. However, the number of hectares will grow considerably over the next ten years as a result of Waterfront Development. Consequently, the maintenance of high-profile parkland along the waterfront will increase the cost per hectare in the future.

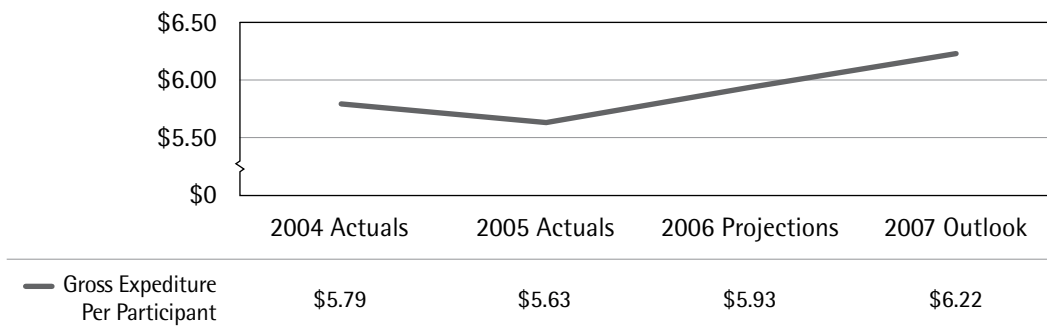
Cost Per Hectare Maintained



Community Recreation (Skating)

Costs per participant are expected to increase approximately in line with the cost of living allowance (COLA) and inflation.

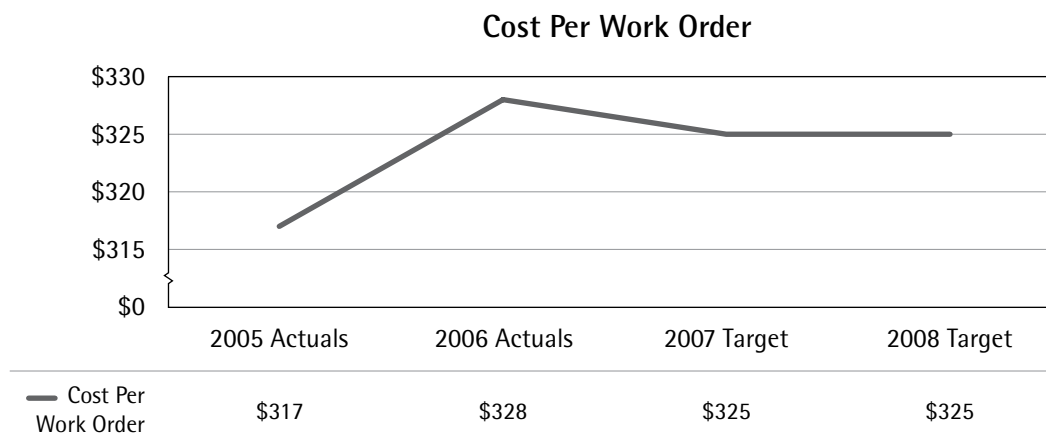
Gross Expenditure Per Participant



PARKS, FORESTRY AND RECREATION

Forestry

Despite COLA and other inflationary pressures, costs per work order are not expected to increase in 2007 since work order volumes will increase.



2007 OPERATING BUDGET HIGHLIGHTS

To promote the objectives of the program, the 2007 Approved Operating Budget for Parks, Forestry and Recreation incorporates various new/enhanced services. A number of these 2007 initiatives also advance the mayor's mandate including:

- investing in Families Program - \$0.380 million gross, \$0 net
- After School Recreation Care Program - \$2.283 million gross, \$0 net
- Toronto's Urban Farm - \$0.189 million net with a 2008 impact of \$0.065 million
- ravine and watercourse maintenance with a Park Ranger Program - \$0.795 million net with a impact of \$0.441 million in 2008
- beach and waterfront maintenance - \$0.470 million net with a \$0.154 million annualization in 2008
- reduce the Tree Service delay - \$0.932 million net
- operating funding for four waterfront projects - \$0.306 million net with a 2008 impact of \$0.094 million
- maintenance of newly planted trees - \$0.313 million net with an annualization of \$0.182 million in 2008

2008/2009 OPERATING BUDGET OUTLOOK

Parks, Forestry and Recreation faces a number of future challenges:

- Unfavourable Revenue Variances: although improving, the program has experienced chronic difficulty in meeting its revenue budget
- Expenditure Growth: the program's net operating budget has grown, on average, by 10% annually since 2003 driven by service expectations and higher standards requirements. This rate of growth is not sustainable in the City's financial environment and this represents a challenge into the future.
- maintaining aging facilities and keeping activities within them relevant to Toronto's changing communities
- Future Impacts: the incremental pressure produced by future waterfront park development projects as well as the program's own Five-Year Capital Plan, Service Priorities and other reports is considerable.

PARKS, FORESTRY AND RECREATION

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completed Ward 31 Skateboard Park (\$0.5 million)
- developed two "Field of Dreams" baseball diamonds in partnership with the Toronto Blue Jays Charitable Foundation (\$0.3 million)
- constructed Centre Island Spray Pad and Scarborough Bluff Park (\$0.7 million)
- renovated 16 playgrounds (\$1.2 million)
- finished phase one of McCowan District Park (\$1.5 million)
- completed a renovation of Birchmount Stadium including the installation of new artificial turf and a running track (\$1.8 million)
- developed Massey Harris Park (\$1.0 million)
- repaired and refurbished various division assets and infrastructure (\$18.0 million)

FIVE-YEAR STRATEGIC OBJECTIVE

- Parks, Forestry and Recreation's Recommended 2007-2010 Capital Plan reflects its future direction as documented in a number of Council-approved reports including the Recreation Facilities report, the Clean and Beautiful City Action Plan and the division's strategic plan, Our Common Grounds. The Five-Year Capital Plan is also informed to a large extent by Parks' Capital Asset Management Program (CAMP) which drives SOGR work.
- The Approved Five-Year Capital Plan totals \$304.1 million, of which 52% (\$159.6 million) is allocated to State of Good Repair (SOGR) projects and the remaining 48% (\$144.5 million) to Service Improvement and Growth-Related initiatives. The latter is largely driven by the planned design and construction of new/expanded community centres (\$52.7 million) such as the York Community Centre and the Jenner Jean-Marie Community Centre.
- Parks, Forestry and Recreation has an aging asset base. In fact, more than 27% of its recreational facilities are more than 40-years-old. Accordingly, the emphasis of the Approved Five-Year Capital Plan is on the division's SOGR program. Of the \$205.3 million in debt funding planned for 2007-2011, 72% (\$146.8 million) is earmarked for SOGR initiatives.
- The Approved Five-Year Capital Plan for Parks, Forestry and Recreation does not account for various anticipated initiatives that the program will be expected to deliver in the coming years. Additional pressure on the division's future capital and operating budgets as a result of Waterfront Revitalization, the Indoor Pool Strategy, Increased Tree Canopy and other plans can be expected.

PARKS, FORESTRY AND RECREATION

2007 CAPITAL BUDGET HIGHLIGHTS

- new investments in Toronto's 13 priority neighbourhoods and its surrounding areas (This includes such projects as new waterplays in Morningside Park and Empringham Park, the redevelopment of Berner Trail Park and recreational infrastructure in four priority neighbourhoods: Eglinton East-Kennedy Park, Lawrence Heights, Scarborough Village and Westminster-Branson - \$4.4 million.)
- the continued implementation of the 3-1-1 Customer Service Strategy (\$3.7 million)
- the construction of various skateboard parks across the City, including Ashbridges Bay Skateboard Park (\$1.2 million)
- phase three of the development of Wychwood Barns Park (\$1.5 million)
- the continued development of Harbourfront Park (\$1.3 million)
- the continued rehabilitation of Parks infrastructure that was damaged by the August 2005 storm (\$4.7 million)
- enhancements to play areas across the City (\$1.2 million)
- the expansion of the Victoria Village Arena (\$1.5 million)
- undertaking a range of City-wide environmental initiatives (\$1.0 million)
- the continuation of the Tree Advocate Program (\$1.5 million)
- renovations to the Centennial Park Greenhouse (\$1.0 million)
- the expansion of the Jenner Jean-Marie Community Centre (\$6.3 million)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following initiatives:

- completion of the 3-1-1 Customer Service Strategy in 2008 (\$0.7 million)
- expansion of the City-wide Toronto Bike Plan (\$2.4 million)
- over 70 service enhancement projects for Toronto's 13 priority neighbourhoods and its surrounding areas (\$11.4 million)
- implementation of the division's Safety and Security Plan (\$1.4 million)
- development of North Rexdale Parks (\$1.2 million)
- continuing enhancements to various play areas (\$0.9 million annually)
- replacement of Lord Dufferin Pool (\$10.8 million)
- renovations to Stephen Leacock Arena (\$2.6 million)
- construction of a new fieldhouse at Queensway (\$1.8 million)
- development of an outdoor skating rink at Colonel Sam Smith park (\$1.9 million)
- continuation of the Tree Advocate Program (\$5.5 million)
- implementation of City-wide environmental initiatives (\$5.0 million)
- improvements to municipal golf courses (\$2.0 million)
- initial development of the Allan Gardens Greenhouse & Park Master Plan (\$3.0 million)
- development of the York Community Centre (\$21 million)
- construction of the Warden Corridor Community Centre (\$5.4 million)

PARKS, FORESTRY AND RECREATION

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Facility Components	3,326	700	-	-	-	5,392
Land Acquisition	0	-	-	-	-	1,600
Outdoor Recreation Centres	850	150	-	-	-	2,840
Park Development	7,638	2,100	-	-	-	17,245
Parking Lots & Tennis Courts	0	-	-	-	-	1,548
Playgrounds/Waterplays	300	-	-	-	-	669
Pool	1,050	150	2,781	-	-	5,276
Arena	1,545	2,600	-	-	-	2,190
Trails & Pathways	990	-	-	-	-	2,190
Environmental Initiatives	800	300	-	-	-	1,825
Special Facilities	1,033	-	-	-	-	4,163
Community Centres	3,366	1,472	-	-	-	13,932
Total Previously Approved	20,898	7,472	2,781	0	0	64,281
New Projects						
Facility Components	3,200	870	-	-	-	4,070
Land Acquisition	100	-	-	-	-	100
Outdoor Recreation Centres	3,020	1,250	-	-	-	4,270
Park Development	8,469	-	-	-	-	8,469
Parking Lots & Tennis Courts	2,000	-	-	-	-	2,000
Playgrounds/Waterplays	3,185	-	-	-	-	3,185
Pool	2,250	-	-	-	-	2,250
Arena	6,410	2,455	-	-	-	8,865
Trails & Pathways	1,350	-	-	-	-	1,350
Environmental Initiatives	2,757	100	-	-	-	2,857
Special Facilities	3,385	-	-	-	-	3,385
Community Centres	3,830	400	-	-	-	4,230
Total New Projects	39,956	5,075	-	-	-	45,031
Total Parks, Forestry & Recreation	60,854	12,547	2,781	0	0	109,312

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The following are significant operating impacts that result from the 2007 Capital Budget:

- \$0.084 million for the incremental operating costs produced by the addition of extra facility space at the Fenside Community Centre
- \$0.023 million to develop new soccer fields in Flemingdon Park and Centennial Park
- \$0.008 million to run new splash pads/water plays in Empringham Park, Morningside Park and McGregor Park

PARKS, FORESTRY AND RECREATION

Furthermore, since Waterfront projects are not delivered through the Parks, Forestry and Recreation Capital Budget, the program's Five-Year Capital Plan does not include the operating impacts for these initiatives. Parks, Forestry and Recreation, however, is responsible for the ongoing maintenance of these projects upon their completion. Operating funding of \$0.306 million has therefore been approved in 2007 for this purpose.

ASSET INVENTORY

Parks, Forestry and Recreation's inventory of hard assets, including land, is valued at more than \$6 billion. Some of the assets in the program's inventory include: 1,460 named parks, 140 community centres, 290 aquatic facilities, 121 ice surfaces, 5 golf courses, 2 downhill skiing facilities, 5 ferries and 8 green houses.

BACKLOG ANALYSIS

Based only on those assets that have been audited to date, Parks, Forestry and Recreation has accumulated, by the end of 2006, a current SOGR backlog of approximately \$138.4 million. The program requires \$226.9 million between 2007–2011 to merely keep this backlog from growing. Due to affordability constraints, however, only \$98.3 million is dedicated to this backlog over the next five years. As a result, the current audited backlog is expected to swell to \$266.9 million by 2011.

This \$266.9 million tally, however, does not reveal the full extent of the SOGR backlog. It is important to note that, to date, SOGR audits have only been completed on some types of facilities and infrastructure in the division's portfolio. A significant number of assets have either not yet been audited, or are in the process of being assessed. The asset classes that are still to be examined include: bocce courts, ball diamonds, cricket pitches, lakefront sea walls, ferry docks, boardwalks, sports fields, fountains, irrigation systems and soccer facilities and stadiums and underground services. It is anticipated that audits on these facilities will be undertaken within the next three to five-year capital cycle and will reveal considerable additional maintenance costs.

SHELTER, SUPPORT & HOUSING ADMINISTRATION

MISSION STATEMENT

The Shelter, Support & Housing Administration (SSHA) Division contributes to healthy communities by ensuring that vulnerable people have a range of shelter and affordable housing options. We provide temporary shelter and support for homeless individuals and families while supporting the City's efforts to create and maintain permanent housing solutions.

2006 KEY ACCOMPLISHMENTS

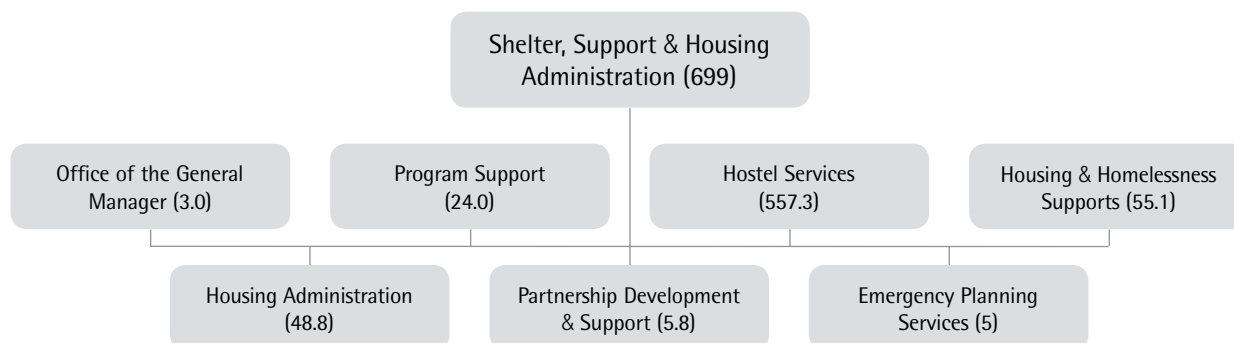
- signed an agreement with the provincial government to administer the Housing Allowance component of the Canada-Ontario-Toronto Affordable Housing Program for 1,800 units and \$37.8 million over five years and commenced program delivery
- initiated the second phase of the quality assurance program that monitors agency compliance with the Shelter Standards including the development of a process to survey shelter clients
- administered the third year of the second phase of the federally funded Supporting Communities Partnership Initiative (SCPI) and successfully advocated the federal government for continuation of funding beyond March 31, 2007
- conducted Toronto's first ever Street Needs Assessment: the "made-in-Toronto" approach
- The Street to Homes Initiative has housed over 1,000 people directly from the street in less than two years.
- assisted 4,000 households in finding housing in the community
- Emergency Planning responded to a range of emergency situations; for example, providing shelter for the Lebanese-Canadian evacuees.

2007 PROGRAM OBJECTIVES

- transform and revitalize Toronto's social housing communities, using Regent Park as an example, into viable, mixed-income, communities of hope
- partner with community agencies to ensure the construction of more transitional and supportive housing
- create 1,000 units of affordable housing each year for the next four years on the Railway lands, the West Don Lands, and by redeveloping existing locations
- convince the federal and provincial governments to continue funding the construction of affordable housing through SCPI
- continue to seek full 80 per cent provincial cost-sharing on all per-diems paid for hostel services

SHELTER, SUPPORT & HOUSING ADMINISTRATION

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- transform and revitalize Toronto's social housing communities, using Regent Park as an example, into viable, mixed-income, communities of hope
- partner with community agencies to ensure the construction of more transitional and supportive housing
- create 1,000 units of affordable housing each year for the next four years on the Railway lands, the West Don Lands, and by redeveloping existing locations
- convince the federal and provincial governments to continue funding the construction of affordable housing through SCPI
- continue to seek full 80 per cent provincial cost-sharing on all per-diems paid for hostel services

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget	%
				\$	
Salaries & Benefits	49,970.1	47,639.9	52,063.4	2,093.3	0.0
Materials & Supplies	4,456.8	4,317.8	4,626.3	169.5	0.0
Equipment	727.7	491.0	558.6	(169.1)	(0.2)
Services & Rents	64,978.8	58,072.7	62,913.5	(2,065.3)	(0.0)
Contributions & Transfers	2,194.7	4,021.9	1,699.8	(494.9)	(0.2)
Other (Includes IDCs)	595,436.7	559,247.9	570,630.9	(24,805.8)	(0.5)
Total Gross Expenditures	717,764.8	673,791.2	692,492.5	(25,272.3)	(0.9)
Funded by					
Prov. & Fed. Grants and Subsidies	398,396.4	391,986.0	375,824.0	(22,572.4)	(0.1)
User Fees	906.2	988.3	921.4	15.2	0.0
Reserves & Reserve Funds	37,949.9	11,316.2	36,659.9	(1,290.0)	(0.0)
Other (Includes IDRs)	3,938.6	3,576.1	2,513.5	(1,425.1)	(1.2)
Total Revenue	441,191.1	407,866.6	415,918.8	(25,272.3)	(1.3)
Total Net Expenditures	276,573.7	265,924.6	276,573.7	0.0	0.5
Approved Positions	700.0	700.0	699.0	(1.0)	0

SHELTER, SUPPORT & HOUSING ADMINISTRATION

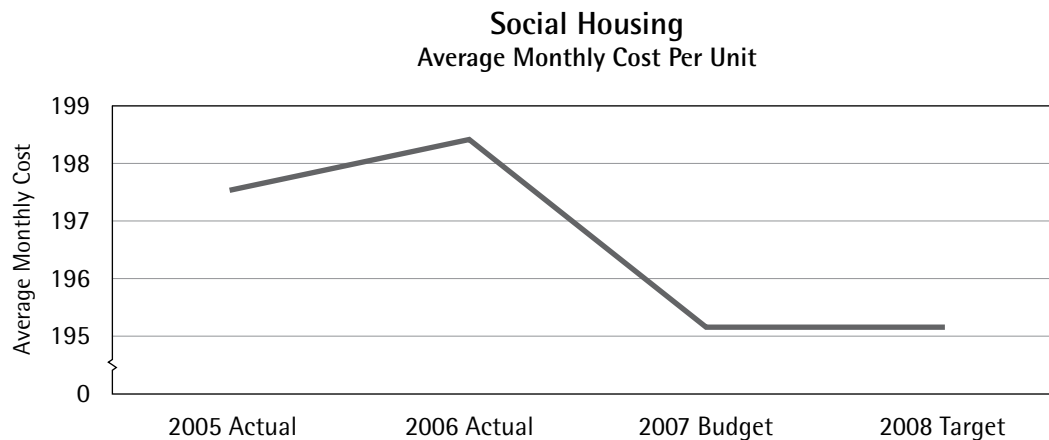
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Program Support	1,750	1,750	2,120	2,120	2,105	2,105	(15)	(0.7)	(15)	(0.7)
Housing Administration	505,504	217,006	534,511	219,347	536,088	217,930	1,577	0.3	(1,417)	(0.3)
Housing Programs	14,647	-	13,841	-	10,377	-	(3,464)	(25.0)	0	0.0
Hostel Services	118,509	48,558	119,107	52,882	116,055	52,822	(3,052)	(2.6)	(60)	(0.1)
Housing & Homelessness Support	35,806	2,278	47,843	1,882	26,558	2,910	(21,285)	(44.5)	1,028	3.9
Partnership Development	340	340	343	343	343	343	0	0.1	0	0.1
Emergency Planning	-	-	-	-	966	464	966	N/A	464	N/A
Total Program Budget	676,556	269,932	717,765	276,574	692,492	276,574	(25,273)	(72.4)	0	2.9

KEY PERFORMANCE MEASURES

Social Housing: Monthly Cost per Unit

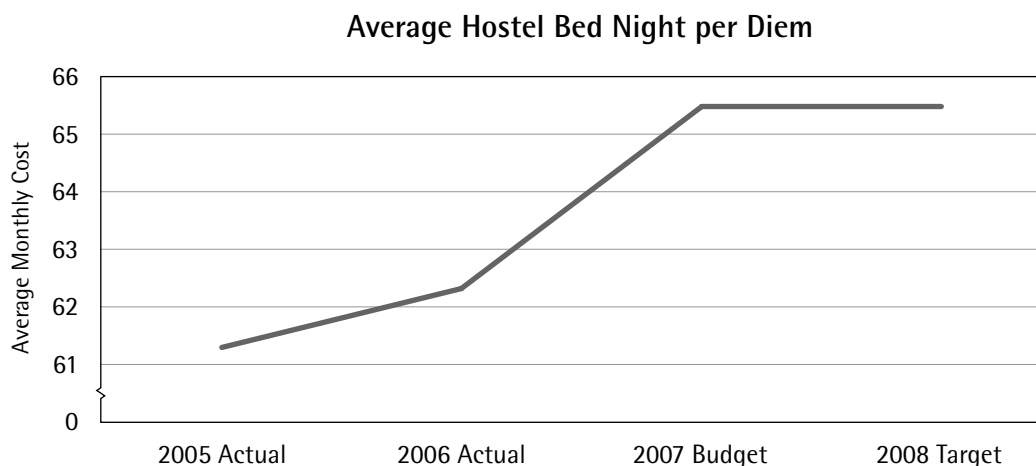
This measure records the average monthly cost to the City per social housing unit.



SHELTER, SUPPORT & HOUSING ADMINISTRATION

Hostel Service: Bed Night Average Per Diem

This measure records the gross cost of providing a hostel bed night.



2007 OPERATING BUDGET HIGHLIGHTS

Shelter, Support and Housing Administration Program provides a wide range of service, which includes:

- providing program administration and direct funding to 90,000 social housing units
- providing 1.423 million bed nights of emergency shelter (3,900 per night, 365 days a year) to homeless individuals, including the provision of meals and counselling
- administering Supporting Communities Partnership Initiative and other federal and provincial grants to over 300 agencies and directly manages programs that help people find and keep housing
- directly managing programs that help people find and keep housing
- providing administration and policy development for landlord/tenant issues
- developing and managing the mass care program of the City's Emergency Plan

2008/2009 OPERATING BUDGET OUTLOOK

The 2008 and 2009 Outlook increases of \$42.27 million or 15.3% and \$17.8 million or 6.4%, respectively, comprised of the reversal of one-time draws on reserves to meet target in 2007 (\$23.69 million), increase in costs to provide ongoing Social Housing services, ongoing cost of living allowance COLA for 2008, merit and step increases for 2008 and 2009 and the operating impact of capital projects.

SHELTER, SUPPORT & HOUSING ADMINISTRATION

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- finalized architectural plans, allowing for the start of construction of the Bethlehem United Shelter in early 2007, which will result in the opening of 60 new shelter beds for co-ed adults in 2008
- concluded site preparation and received final approval for Eva's Youth Shelter, with construction to commence in early 2007, which will result in 30 replacement and two new shelter beds opening in 2008.
- initiated roof repair work and bathroom design/replacements on existing shelter facilities

FIVE-YEAR STRATEGIC OBJECTIVE

The Shelter, Support and Housing Administration Capital Program includes the development of shelter beds, state of good repair for City-owned and operated facilities and development of IT systems that will enhance stewardship of the Social Housing and Hostel systems.

While the focus of the division is now on permanent housing solutions, a small number of shelter beds will need to be developed to address existing gaps in shelter capacity for specific client groups or to accommodate the closure of some existing facilities.

In 2007, SSHA expects to replace 40 existing beds with the relocation of the Edward Street Shelter and Referral Centre. In 2008, 62 new beds and 30 replacement beds are scheduled to open, with the completion of Bethlehem United and Eva's Youth Shelter. Future year plans include 42 replacement beds and 35 new shelter beds.

The program is also continuing to automate the administration of shelter services through the development of the Shelter Management Information System, and has begun developing the Social Housing Administration System, an IT system that will significantly improve the program's ability to manage its core business activities.

2007 CAPITAL BUDGET HIGHLIGHTS

- Eva's Youth Replacement Shelter (\$3.343 million), with commitments of \$2.843 million in 2007 and \$0.5 million in 2008, is a 32 bed youth shelter, scheduled to be opened in 2008.
- Bethlehem United (\$3.637 million), with commitments of \$3.387 million in 2007, and \$.0.25 million in 2008, is a 60 bed co-ed shelter, scheduled to open in 2008.
- Relocation of the 110 Edward Street Shelter and Referral Centre (\$5.501 million), with commitments \$5.501 million in 2007, is a 40 bed co-ed shelter and referral centre, scheduled, to open in 2007.
- Capital maintenance for the 15 City operated/leased shelters is \$1.003 million in 2007 and includes roof and bathroom replacements.
- HVAC upgrade at Seaton House Shelter (\$0.85 million), with \$0.55 million in 2007 and \$0.3 million in 2008
- The Plan also includes two IT projects: the Shelter Management Information System (\$2.211 million), with commitments of \$1.732 million in 2007 and \$0.479 million in 2008; and the Social Housing Administration System (\$4.523 million), with commitments of \$1.023 million in 2007, \$1.8 million in 2008 and \$1.7 million in 2009.

SHELTER, SUPPORT & HOUSING ADMINISTRATION

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Eva's Youth Shelter	1,904	500	-	-	-	2,404
Seaton House HVAC	350	300	-	-	-	650
Shelter Management Information System	503	479	-	-	-	982
Bethlehem United	1,439	250	-	-	-	1,689
Total Previously Approved	4,196	1,529	0	0	0	5,725
New Projects						
Eva's Youth Shelter	939	-	-	-	-	939
Seaton House HVAC	(100)	-	-	-	-	(100)
Shelter Management Information System	(15)	-	-	-	-	(15)
Bethlehem United	1,037	-	-	-	-	1,037
110 Edward Street Shelter	5,501	-	-	-	-	5,501
Capital Repairs City Shelters	497	-	-	-	-	497
Social Housing Administration System	700	1,800	1,700	-	-	4,200
Total New Projects	8,559	1,800	1,700	-	-	12,059
Total Program Budget	16,039	3,329	1,700	0	0	21,068

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs.

ASSET INVENTORY

The City owns 15 shelter sites, seven in City-operated sites, and eight in City facilities that are leased to shelter operators.

BACKLOG ANALYSIS

In 2003 the program completed an engineering study by IBI Group, in association with Trow Associates. The program has used this study as the basis for planning its capital maintenance program and for establishing its State of Good Repair Backlog; estimated to be \$6.707 million at the end of 2006. The Five-Year Capital Plan includes funding of \$2.707 million in 2007 and \$0.8 million in 2008 for the construction of Eva's Youth Replacement Shelter and the HVAC upgrade at Seaton House, which will reduce the program's backlog by \$3.507 million to \$3.2 million. The additional \$3.2 million is required to maintain these facilities in a state of good repair, which is not included in the Five-Year Capital Plan, due to debt affordability.

SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

MISSION STATEMENT

The Division believes that the City's strength derives from its diverse community and that the Division's services must therefore be based on the principles of resident participation, accessibility and equity and be conducted with integrity, professionalism and accountability.

The Division's goal is to improve social prospects and conditions for residents of the City of Toronto by providing leadership, expertise, and professionalism in developing social policy, strengthening communities, and efficiently providing effective support to service delivery.

The Division provides leadership and support to the Deputy City Manager, the Citizen Centred Services "A" Cluster, and City Council to advance social inclusion and to build safe, strong neighbourhoods and communities. The Division identifies and responds to community social needs; undertakes social planning and trend analysis; develops strategic policy responses; provides financial, administrative, IT and communications support and oversight.

2006 KEY ACCOMPLISHMENTS

- implementing City's Community Safety Plan including establishing and maintaining neighbourhood action planning in seven priority communities, supporting employment training initiatives for youth in community safety neighbourhoods and supporting the mayor's Community Safety Panel
- implementing the reorganization of the new Social Development Finance and Administration Division (SDF&A) consistent with the objectives of the corporate restructuring while also ensuring policy, financial and administrative support was not disrupted to the program divisions or the Deputy City Manager
- led the development of the policy response to the Strong Neighbourhoods Task Force, and provided the policy leadership, strategic direction and implementation planning for Council's Strong Neighbourhoods Strategy
- provided lead project management, policy and research support to the Roundtable on Seniors, Roundtable on Children, Youth and Education, Food and Hunger Action Committee, Advisory Committee on Homeless and Socially Isolated Persons, Immigration and Settlement Work group, Strong Neighbourhoods Task Force, and Income Security Task Force
- co-ordinated and provided cluster oversight for the timely submission of operating and capital budgets, preparation of monthly financial statements, corporate variance reports, expenditure reconciliation and monitoring, and for ensuring that adequate internal controls are in place and is meeting corporate bylaws, policies and procedures
- co-ordinated the successful implementation of the Technology End-of-Lease Strategy (TELS) computer equipment replacement project for Social Development, Finance and Administration, Association of Community Centres, Homes for the Aged, Shelter Support and Housing Administration, Children's Services divisions and Economic Development, Culture and Tourism and Parks, Forestry and Recreation (A total of 2,418 new computers 670 monitors and 364 printers were installed for these divisions.)

SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

- met a 16% increase in program purchasing requirements (Effectively administered the marked increase in contract release order and contract management process for the programs.)
- successfully met the program telecommunication needs, including the processing of 1,670 service order requests
- managed the petty cash coordination reimbursing 5,252 petty cash vouchers to 103 locations, and distributing in excess of 500,000 TTC tickets for the operating programs
- accurately and timely submission of provincial subsidy claims (total of 550 claims with a value of \$1.5 billion) for the cost shared programs, managed high volume accounts receivable balances and completed provincial audits with clean audit report
- provided program outreach and communication services by completing 808 design projects and 496 writing/editing projects for operating divisions, and planned, marketed and executed over 60 special events ranging from the Toronto Challenge to the opening of child care centres
- completed point of sale rollout of hardware and software with real time financial processing (MC/Visa, Debit) to target sites; Class membership rollout to all recreation centres; Payroll.net system approval and implementation schedule in PFR
- created the Best Start Network event and communication protocol that includes preparing materials in French and English, which has been adopted by the City of Toronto, the Province, all Toronto School Boards, Children's Aid Societies and other stakeholders in April 2006
- played a critical role in completing the financial remapping of accounts and hierarchies for the new Parks, Forestry and Recreation organizational structure
- provided comprehensive communications support to major client division/program initiatives including: Toronto's Community Safety Plan; implementation of Parks, Forestry and Recreation Division restructuring; Trees Across Toronto; Live With Culture; Imagine a Toronto...Strategies for Creative Cities; Air India Memorial Groundbreaking; and National Soccer Stadium Groundbreaking; providing and implementing a marketing plan for Children's Services, establishing communication protocols, visual identity and communication products for Strong Neighbourhoods Task Force, implementing communication training for staff in Social Services, Children's Services, Shelter Support and Housing Administration and Homes for the Aged divisions
- co-ordinated the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) requests for the programs, successfully responding to approximately 345 requests
- co-ordinated the Corporate Community Partnerships and Investment program (CPIP), including the budget submission, corporate grants program standards and performance measures and phase 2 of the Below Market Use of City Space Policy
- delivered the Community Services Partnership programs, including implementation of three new programs and review of 848 program/project funding requests and monitoring 578 program/ project funding allocations
- served 3,754 youth through nine youth employment programs (six fully third-party funded; two cost shared)
- worked with 200 employers hiring youth through the Toronto Youth Job Corps, and Youth Employment Partnerships programs
- provided Corporate management support and oversight for the ten boards of management operating City community centres (AOCCs)

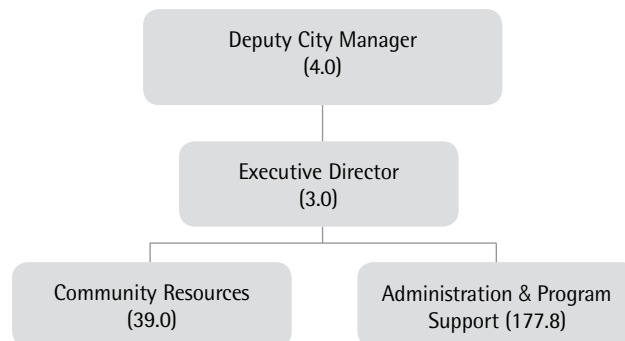
SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

- managed transition of snow shovelling and lawn cutting services from Transportation Services to Community Resources Unit, including changes to the service delivery model involving 250 individual subsidy clients and 12 delivery agency agreements

2007 PROGRAM OBJECTIVES

- effective co-ordination and direction of social policy and planning, analysis and research
- clear identification of community and neighbourhood social needs and the provision of direct support
- provision, facilitation and brokering of effective financial, administrative, IT and communications support and oversight in order to improve service delivery to residents, meet cluster accountability requirements, and, to ensure alignment and compliance with corporate objectives
- Effective delivery of Council's Community Safety Plan
- development of strong working relationships across the corporation with the operating divisions that are consistent with the goals and objectives of the City's administrative reorganization
- 780 applications and 580 awards through the Corporate Community Partnership and Investment Program totalling \$12.9 million
- continue youth work through employment, outreach, engagement, and alternatives to gangs
- ensure that the City takes full advantage of new youth program and partnership opportunities
- provision of service to 3,900 youths through nine employment programs
- processing of 560 provincial subsidy claims with a value of \$1.6 billion
- completing 270 social policy information requests
- advancing crisis response capability by building neighbourhood capacity and new partnerships with faith communities
- supporting the 13 neighbourhood action teams to better co-ordinate service and improvements
- providing lead project management, policy and research support to Council's Community Development and Recreation Committee and Council's public advisory bodies
- provision of Corporate management support and oversight for the ten boards of management operating City community centres (AOCCs)

PROGRAM MAP



SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- develop sustainable partnerships to advance life skill opportunities for youth
- advance the City's Community Safety Plan and the related Council priorities
- advance community capacity building, resident involvement, and engagement in neighbourhoods through initiatives such as Neighbourhood Action in 13 priority neighbourhoods and the Regent Park Social Development Plan
- maintain and enhance capacity of community-based service sector to respond to community needs
- monitor and assess the city's social conditions
- complete the consolidation and realignment of the financial and administrative support for the cluster

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	16,720.9	16,709.8	17,753.1	1,032.2	6
Materials & Supplies	312.6	206.4	296.3	(16.3)	-5
Equipment	224.9	185.8	214.8	(10.1)	-4
Services & Rents	7,121.3	3,341.1	6,411.0	(710.3)	-10
Contributions & Transfers	114.0	114.8	114.0	0.0	0
Other (Includes IDCs)	3,461.1	5,037.6	3,575.9	114.8	3
Total Gross Expenditures	27,954.8	25,595.5	28,365.1	410.3	1
Funded by					
Prov. & Fed. Grants & Subsidies	9,838.1	7,748.0	10,144.9	306.8	3
User Fees	0.0	75.1	0.0	0.0	N/A
Reserves & Reserve Funds	0.0	0.0	244.4	244.4	N/A
Other (Includes IDRs)	2,191.6	2,098.4	2,050.7	(140.9)	-6
Total Revenue	12,029.7	9,921.5	12,440.0	410.3	3
Total Net Expenditures	15,925.1	15,674.0	15,925.1	0.0	0
Approved Positions	223.3	222.3	223.8	1.5	1

2007 OPERATING BUDGET BY SERVICE

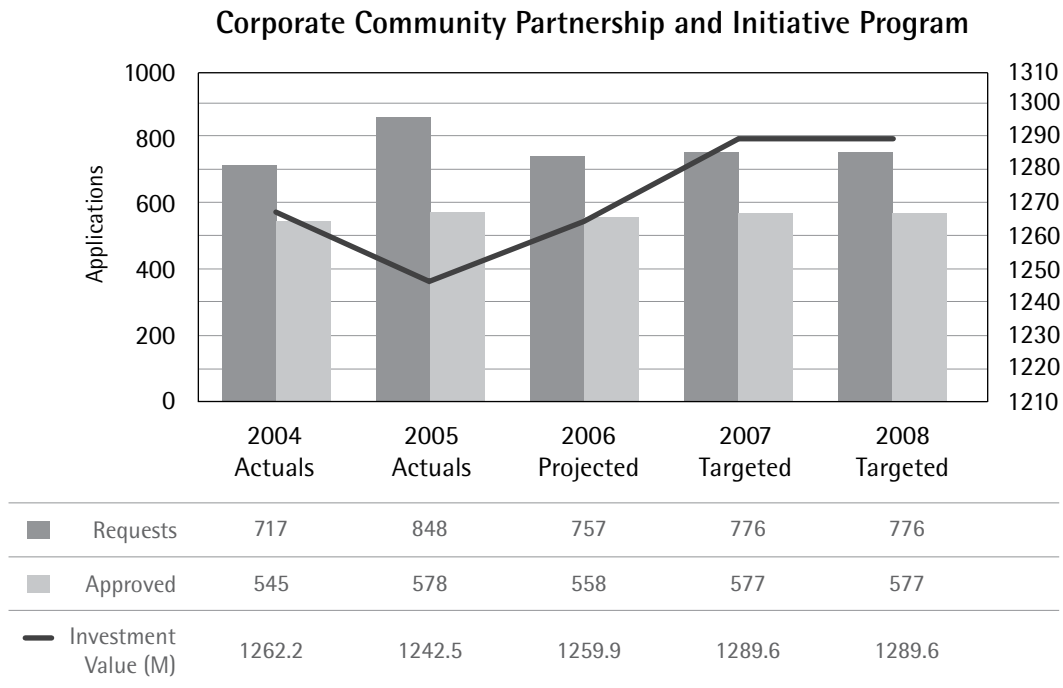
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Administration & Programs	14,249	8,332	14,757	8,367	15,340	8,539	583	4.0	172	2.1
Community Resources	5,326	1,353	7,347	1,907	7,285	1,846	(62)	N/A	(61)	N/A
Customer & Business Support	10,858	10,658	5,851	5,651	5,740	5,540	(111)	(1.9)	(111)	(2.0)
Total Program Budget	30,433	20,343	27,955	15,925	28,365	15,925	410	1.5	-	0.0

SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

KEY PERFORMANCE MEASURES

Community Impact Measure

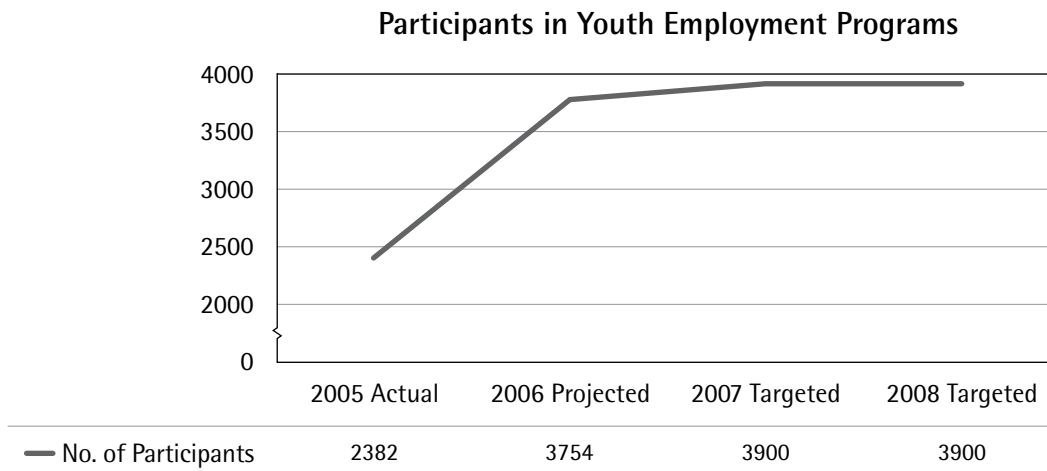
The chart below illustrates the number of applications reviewed and approved to provide grants through the Corporate Community Partnership and Investment Program (CPIP).



The annual amount invested by the City each year through CPIP has remained steady at the \$12 million level.

Efficiency Measures

This chart illustrates the growth in participation in Youth Employment Programs.

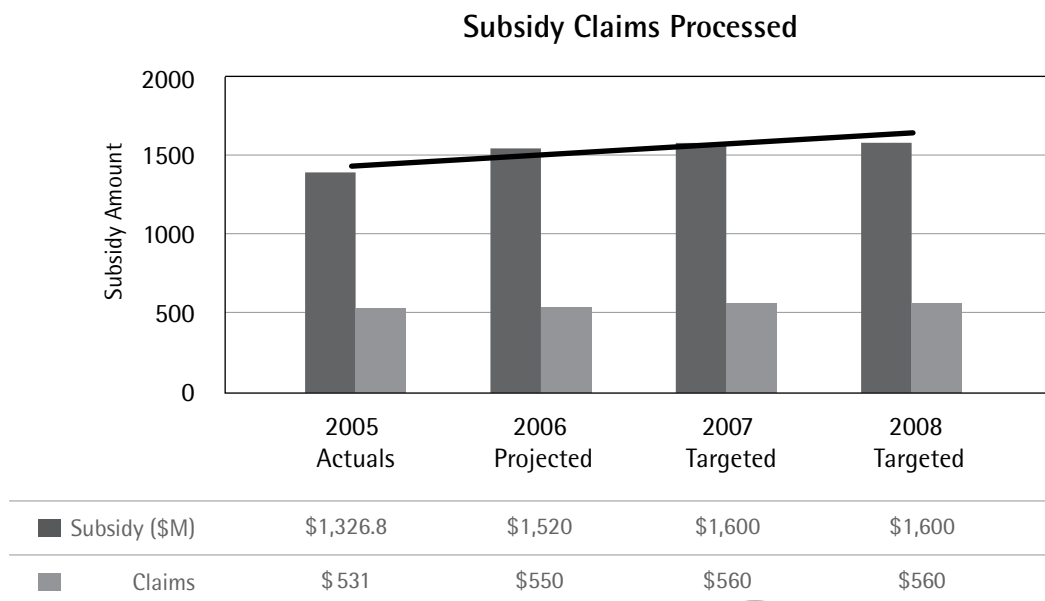


The number of youths served annually by employment programs has grown by almost two-thirds since 2005.

SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

Community Impact Measure

This chart shows the volume of information requests completed by the Social Development, Analysis and Research Unit increasing.



In 2007, 560 provincial subsidy claims will be made with a value of \$1.6-billion.

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- processing and evaluation of 780 applications received through CPIP
- making 580 awards and distributing \$12.9 million through CPIP
- providing services to 3,900 youths through nine employment programs
- completing 270 service requests by the Social Policy Analysis and Research Section
- responding to 30 critical incidents under the Crisis Response Program by the Community Safety Secretariat
- processing of 560 provincial subsidy claims with a value of \$1.6 billion by the finance and Administration Section
- completion of 3,850 service requests by the Communications Unit
- effective co-ordination and direction of social policy and planning, analysis and research
- provision, facilitation and brokering of effective financial, administrative, IT and communications support and oversight in order to improve service delivery to residents, meet cluster accountability requirements and to ensure alignment and compliance with corporate objectives

SOCIAL DEVELOPMENT, FINANCE & ADMINISTRATION

2008/2009 OPERATING BUDGET OUTLOOK

- The key issue for the division in 2007 is to continue maintaining current service standards and performance in the face of increasing expectations and demands for service from its implementation of the City Community Safety Plan and related initiatives which originated in 2004. The program has thus far, managed the workload by re-allocating and re-aligning existing resources. However, this presents an on-going challenge to meet the program's expectations without an increase in staffing and budget resources.
- The division continues to face a number of challenges such as the implementation and management of below-market City space for community use, increase effective resident engagement in neighbourhood action, manage demand for additional investment in infrastructure poor neighbourhoods, leading strategic policy and research initiatives on social inclusion, and increase the awareness and understanding of the City's social conditions in the new term of Council.

2007 CAPITAL BUDGET

Not applicable

TORONTO SOCIAL SERVICES (TSS)

MISSION STATEMENT

Our vision is a future in which all of our clients are moving toward greater self-reliance and eventual independence.

Our mission is to:

- ensure a service and support system exists within the community and operates effectively to assist those in need
- support clients as they fulfill their obligations to pursue opportunities and programs that will enable them to become more self-sufficient
- advocate on behalf of those in the community who are most vulnerable and least able to obtain supports on their own

2006 KEY ACCOMPLISHMENTS

Service Delivery

- provided services, including financial and employment assistance to over 120,000 individual cases (over 240,000 persons, nearly 1 in 10 residents)
- completed and/or updated over 200,000 Ontario Works (OW) client employment participation plans which are critical to clients' efforts to obtain the skills and supports necessary to re-enter the workforce
- supported approximately 100,000 client visits through TSS's Employment Resource Centres (ERCs)
- made over 15,500 referrals to skills training, pre-employment and employment placement
- achieved over 55,500 OW placements (community/employment) between January 1, 2006 and December 31, 2006
- The Application Centre handled approximately 140,000 callers during 2006.
- monitored and assessed the performance of 38 contracted agencies providing skills training and employment placement services to the clients of Toronto Social Services (TSS), including reallocation of program funds based on demonstrated ability to meet performance targets
- assisted nearly 23,000 vulnerable OW families to maintain or obtain housing through the Shelter Fund, using National Child Benefit Supplement municipal savings
- worked with other OW delivery agents and community partners to propose innovative approaches to social assistance program delivery
- implemented policy and administrative changes as prescribed by the Province (Major Provincial policy changes were announced during 2006, including changes to assets and income, termination for employment, Temporary Care Allowance, overpayment recovery, National Child Benefit Supplement (NCBS) exemptions, Pregnancy Allowance, Winter Clothing and Back to School Allowance - changes to eligibility for Special Diets announced in 2005 continued to be implemented.)
- Through joint planning and implementation with staff from the Ontario Disability Support Program (ODSP), streamlined the referral process and facilitated access to OW employment assistance services for 841 ODSP non-disabled spouses and dependent adults who have employment participation requirements.
- evaluated, examined and communicated the results of the service delivery model introduced in 2005

TORONTO SOCIAL SERVICES (TSS)

- developed effective case management tools, including a web based resource guide for all staff that links to services and resources that assist clients to find and keep jobs, and provides information about the wide range of community services available in the city
- piloted an integrated employment service delivery model in two offices with Service Canada and Jewish Vocational Services (Through this pilot over 100 social assistance clients gained direct access to federally sponsored training and other employment supports.)
- piloted, with a range of partners (Canadian Immigration Commission [CIC], the provincial Ministry of Citizenship and Immigration [MCI], and the Toronto Region Immigrant Employment Council [TRIEC]), an assessment process which identifies the specific workplace language needs of skilled immigrants
- developed inter-divisional service delivery protocols with a number of divisions/City agencies (e.g. Toronto Children's Services, Toronto Community Housing Company) to provide better targeted services to mutual clients
- distributed a comprehensive client information package in 12 languages, contributing to better informed clients who are aware of the services and support available through OW

Children on Social Assistance

- made over 3,900 referrals for child care
- Through the Kids @ Computers Scholarship Project, provided computers and training to 2,800 children.
- Through the TSS Christmas Bureau, co-ordinated the distribution of Christmas gifts to almost 130,000 low income children in Toronto on behalf of over 400 agencies and organizations such as the CHUM/City Christmas Wish Fund, Toronto Star Santa Claus Fund and the Toronto Firefighters Association Toy Distribution.

Strategic Advocacy and Innovation

- released Systems of Survival, Systems of Support: An Action Plan for Social Assistance in Toronto, approved by Council in June 2006 (The Plan contains a comprehensive set of recommendations and actions that advocates broad changes to social assistance and other human service systems, including employment services delivery, adequate program benefit levels, and funding arrangements that fairly recognize the costs of delivering OW.)
- Through the Action Plan, TSS, on behalf of the City, assumed a leadership role with respect to the development and delivery of employment services for the city's unemployed and vulnerable residents.
- developed preliminary implementation plans for various sections of the report dealing with employment, integration, funding, adequacy, client and community engagement, and program management.
- pursued new provincial funding sources for initiatives that enhance employer engagement and receptiveness to hiring and training social assistance clients
- received Silver Award for innovative training program for TSS staff at 2006 Public Service Quality Fair

Client and Community Engagement

- sponsored and conducted 12 job and community information fairs for OW clients across the Division, helping to connect thousands of clients with potential employers and service providers
- obtained important quality of service suggestions from clients, identifying service delivery issues and making recommendations for improvement through client advisory groups in each TSS district, as well as through surveys, focus groups, and client questionnaires

TORONTO SOCIAL SERVICES (TSS)

- conducted presentations and engaged clients, community representatives and divisional colleagues in the implementation of TSS' Action Plan for Social Assistance
- initiated building of a stronger web presence to support increased service options for clients, particularly in the area of self service
- worked with over 100 agencies and employers across the city to deliver employment and community placements and skill training courses
- continued to develop working relationships with a wide range of community partners in each District aimed at program co-ordination and collaboration, promoting neighbourhood action, increasing capacity, engaging community groups, conducting Employer outreach, and participating in Local Community Advisory Committees
- continued to be a primary partner and supporter of the Intergovernmental Committee on Economic and Labour Force Development (ICE) (e.g. support its large annual network meeting attended by experts and service providers), which provides a forum for sharing best practices

Program Integrity

- In response to the Auditor General's review of inactive overpayments: initiated action (either in full or in part) to address the recommendations put forward, including commencing participation in the pilot project for the recovery of delinquent OW overpayments through the Provincial Overpayment Recovery Unit and the Canada Revenue Agency's Refund Set-Off Program.
- Through the Division's dedicated Quality Control and Assurance unit, investigated over 8,000 allegations of fraud.
- updated the TSS Financial and Purchasing Procedures Guide to reflect current corporate financial and purchasing policies, procedures and controls
- began implementation of a revised management review of payments issued to clients that focuses on internal controls, compliance and benefit issuance
- completed a review of third party service agreements
- revised and implemented enhanced client fraud allegation investigation procedures
- conducted a review of client benefit issuances
- developed and implemented an Action Plan in response to the Provincial OW follow-up review
- managed and/or pursued family support for over 22,000 families on social assistance
- completed approximately 4,800 dedicated financial reviews for ongoing eligibility for OW assistance

Efficiency & Best Practices:

- collected over \$5.0 million by supporting single parents to pursue child support arrangements through the Family Support program
- obtained revenues of \$3.5 million by exceeding provincial Consolidated Verification Program targets
- achieved provincial targets and outcomes under new funding model for Employment Assistance, thereby ensuring City continues to receive maximum provincial funding allocation
- improved the application process for OW clients referred to the Ontario Disability Support Program (ODSP) (obtained agreement with the Province on granting OD
- SP based on the financial assessment made by OW staff)

TORONTO SOCIAL SERVICES (TSS)

- pursued opportunities to work with the Province to explore provincial implementation of best practice technology solutions developed by the TSS for the effective delivery of OW, as recommended in the comprehensive review of the City's administration of OW by KPMG in 2005
- redesigned delivery of the Community Participation component of Employment Assistance, redirecting work activities previously related to administration towards increased client/caseworker interaction and dialogue
- established improved case management documentation protocols and processes using web based technologies
- conducted workshops for staff at all levels in the organization to support the Provincial Domestic Violence Initiative (DVI)
- expand current strategic information reporting by enhancing the current divisional dashboard to include local offices, as well as implementing a balanced scorecard reporting system for local offices and divisional management

Council and City Priorities

- provided direct support to the Mayor's Community Safety Panel to strengthen at-risk neighbourhoods by supporting YouthONE and other Youth-at-Risk initiatives, through directly operating the City's Employer Hotline, and seeking innovations funding from associated provincial ministries
- supported the efforts of the Strong Neighbourhoods Task Force in identifying mechanisms through which resources can be targeted to priority communities: put in place initiatives that directly support OW clients find and sustain employment while also supporting improved service delivery in priority neighbourhoods by partnering with community agencies and other City services (Public Health, Recreation and Toronto Children's Services)
- directly supported implementation of priority neighbourhood action plans through participation of senior managers and divisional staff across the City
- led the development of an Employment Service Plan for Regent Park, as part of the broader Social Development Plan which supports the revitalization of this community
- provided strategic leadership for collaborative planning and co-ordination of employment and training within the human services cluster through a newly formed Employment Services Senior Steering Committee comprised of senior officials from 7 City divisions/agencies
- developed terms of reference for a comprehensive review of the employment services system in Toronto in conjunction with Social Development, Finance and Administration

Program Objectives

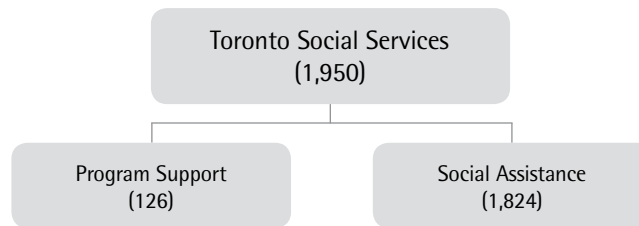
- Ontario Works (OW) is a mandatory province-wide program delivered by municipalities under the Ontario Works Act and Regulations. The program provides employment assistance and financial support for residents of the City of Toronto who are in financial need.
 - > Employment Assistance provides opportunities for clients to engage in a variety of activities which lead to jobs, or which increase their employment prospects. Employment Assistance activities include:
 - job search
 - education and training
 - paid and unpaid job placements

TORONTO SOCIAL SERVICES (TSS)

- access to other programs that enhance job readiness
 - job retention supports
- > Financial Assistance includes:
- funds to cover food, shelter, clothing and other household items
 - a monthly drug benefits card to cover the cost of prescribed medications
 - other benefits such as winter clothing, back-to-school allowance, dental services for children, eyeglasses and medical transportation
 - assistance with employment-related expenses and child care costs

PROGRAM MAP

The Social Services Division is comprised of two services, with a total of 1,950 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

Service Delivery

- develop a comprehensive implementation plan for TSS Action Plan, specifically pursuing service delivery improvements based on the Plan's recommendations
- continue to introduce new case management strategies and tools to improve the matching of client service needs to available resources and to jobs
- monitor and assess performance of contracted agencies providing skills training and employment placement services to TSS clients (based on consultation with key community stakeholders), and reallocate program funds based on demonstrated ability to meet performance targets
- maximize provision of employment supports to clients including full-time employment benefit, extended health benefit, child care and other employment-related expenses.
- work to better co-ordinate Employment Assistance resources among government and community-based service providers in order to maximize the effectiveness of strategies aimed at integrating OW clients into Toronto labour markets
- complete an end-to-end review of employment services in the City of Toronto and take steps to address the issues and gaps identified, as part of development of employment plan
- work with ODSP staff to ensure all ODSP non-disabled spouses and dependents are referred to OW employment programs

TORONTO SOCIAL SERVICES (TSS)

Strategic Advocacy and Innovation

- actively collaborate with relevant provincial ministries and federal departments on the co-ordination of labour force development approaches resulting from the signing of a Labour Market Development Agreement, a Labour Market Partnership Agreement and an Immigration Agreement, ensuring OW clients receive maximum value from programs and services offered by senior orders of government
- continue to advocate to the Province, through ongoing consultations on Action Plan recommendations, and, in conjunction with community partners, for adequate OW assistance rates, and other changes to improve the lives of vulnerable people in Toronto

Children on Social Assistance

- support and sustain Kids @ Computer's capacity to provide computers and related benefits to children of families on OW by facilitating public/private sector partnerships
- work with Parks, Forestry and Recreation Division for continued improvements to City's Welcome Policy, increasing access to recreation services for low income children
- TSS has developed inter-divisional service delivery protocols and processes (eg. Toronto Children's Services and Shelter, Support and Housing Administration) to better co-ordinate and target responses to mutual clients.
- Investing in Families Demonstration Project is intended to improve the economic, health and social status of sole support parent's families by increased participation in leisure and recreation programs, greater access to health services and improved social integration.

Program Integrity

- continue to take all necessary steps to safeguard the OW program against fraud, maximize overpayment recoveries, evaluate external agency contracts, and support municipal/provincial audit activities through the Division's dedicated Quality Control and Assurance unit and Internal Systems and Security unit
- meet and exceed financial case review targets set by the Province while working with the Province to significantly streamline the current processes
- develop and implement Performance Measures and targets for the management of overpayments
- develop an automated system for the management of inactive overpayment collections as well as enhanced collection procedures
- complete a review of the Division's Cheque Handling Procedures
- complete a Divisional Risk Management Survey
- respond to the 2007 provincial OW compliance review

Efficiency and Best Practices

- expand reporting capacity by incorporating other sources of information into the Division's Data Mart environment
- expand current strategic information reporting to divisional managers by:
 - > expanding the Division's current Divisional Dashboard to include Local Offices
 - > implement balanced scorecard reporting for local office and divisional management

TORONTO SOCIAL SERVICES (TSS)

- introduce a new comprehensive case profile report for caseworkers to support efficient and effective case management
- revise, automate, and simplify file retention procedures
- report on client survey regarding OW recidivism
- produce ongoing Best Practice reports on employment services delivery, design, case and program management

City and Council Priorities

- continue supporting efforts to strengthen at-risk neighbourhoods, including the Mayor's Community Safety Panel, the Strong Neighbourhoods Task Force, the Jobs for Youth program, and other Youth-at-Risk initiatives
- provide administrative and policy support to the Board of Trade's Youth One campaign for at risk youth
- support the formation of, and implementation of the Partnership to Advance Youth Employment (PAYE) (This is a joint private sector and city initiative aimed at increasing economic opportunities for youth from the priority communities.)
- advocate, through the provincial program delivery review announced in August 2006 for funding arrangements and levels that fairly reflect the costs of meeting provincial mandatory requirements and of delivering the OW program in a large urban centre

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget \$	%
Salaries & Benefits	139,368.4	137,704.9	147,154.0	7,785.6	6
Materials & Supplies	10,424.1	10,714.5	10,487.7	63.6	1
Equipment	424.4	406.1	326.4	(98.0)	-23
Services & Rents	32,259.7	28,205.4	34,981.6	2,721.9	8
Contributions & Transfers	660.9	2,410.1	2,360.9	1,700.0	257
Other (Includes IDCs)	854,349.2	806,902.0	876,025.5	21,676.3	3
Total Gross Expenditures	1,037,486.7	986,343.0	1,071,336.1	33,849.4	3
Funded by					
Prov. & Fed. Grants and Subsidies	712,785.9	675,499.5	732,249.9	19,464.0	3
User Fees	0.0	118.4	0.0	0.0	N/A
Reserves & Reserve Funds	36,723.8	21,547.8	34,051.5	(2,672.3)	-7
Other (Includes IDRs)	10,100.0	11,300.3	10,750.0	650.0	6
Total Revenue	759,609.7	708,466.0	777,051.4	17,441.77	2
Total Net Expenditures	277,877.0	277,877.0	294,284.7	16,407.7	6
Approved Positions	1,943.0	1,943.0	1,950.0	7.0	0

TORONTO SOCIAL SERVICES (TSS)

2007 OPERATING BUDGET BY SERVICE

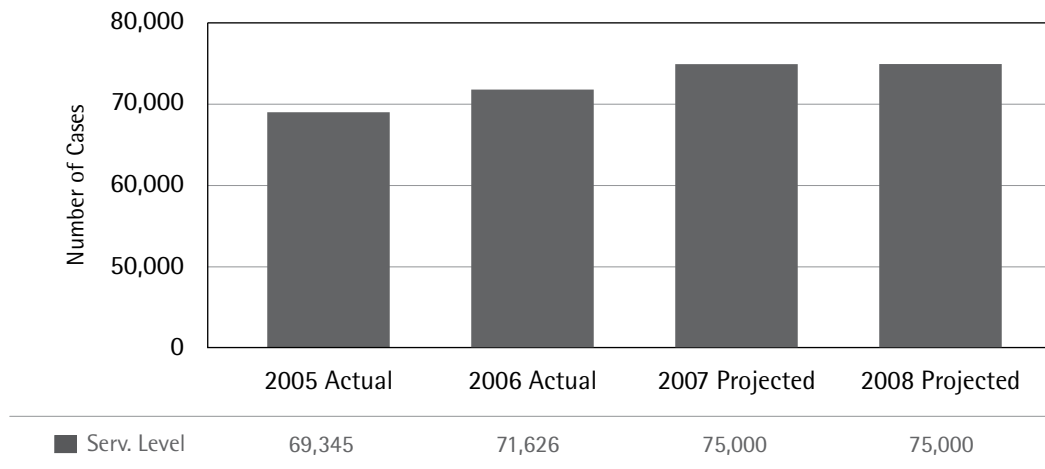
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Program Support	11,015	5,632	11,123	5,869	11,876	5,808	753	6.8	(61)	(1.0)
Social Assistance	961,104	215,427	1,026,364	272,008	1,059,460	288,477	33,096	N/A	16,469	N/A
Total Program Budget	972,119	221,059	1,037,487	277,877	1,071,336	294,285	33,849	3.3	16,408	5.9

KEY PERFORMANCE MEASURES

Efficiency Measure

Average monthly caseload reflects the demand for Ontario Works and the volume of service provided.

OW Average Monthly Caseload

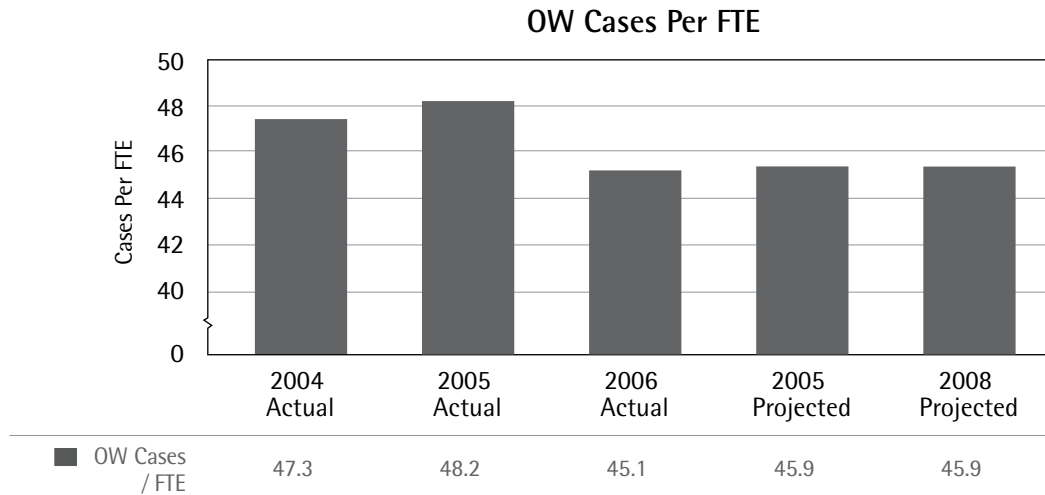


Output/Outcome

The number of cases receiving OW is driven by economic and employment factors. Caseload volumes, in conjunction with provincial requirements for program delivery, drive program and administration costs.

TORONTO SOCIAL SERVICES (TSS)

Monthly caseload per FTE

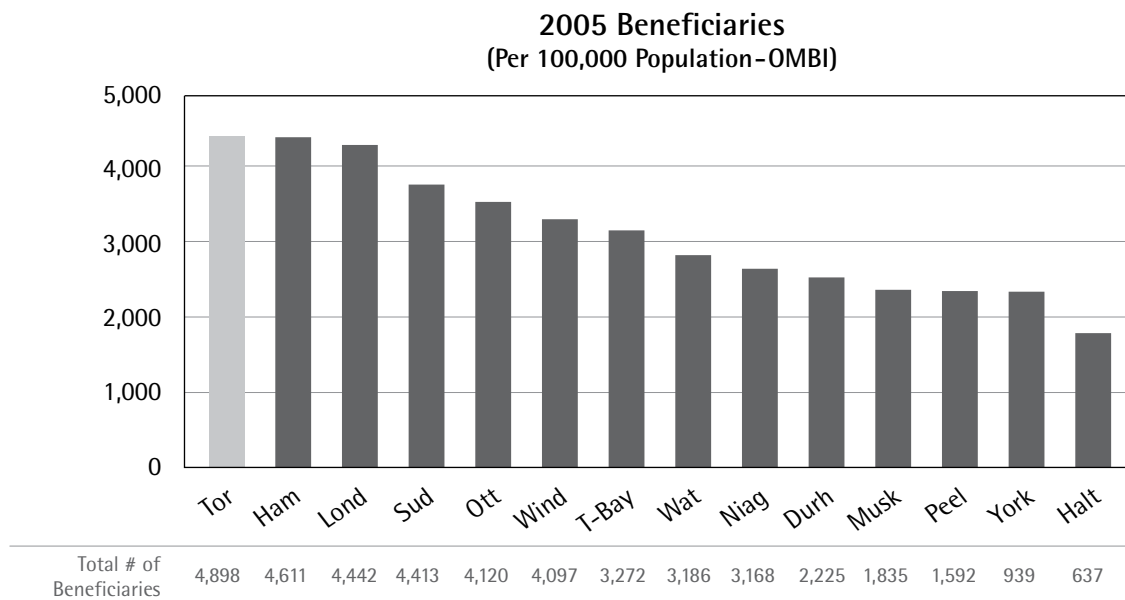


Output/Outcome

Toronto's caseload per FTE is among the highest in Ontario. According to a KPMG review conducted in 2004, TSS' Cost Of Administration was 15% below the average amongst municipalities in the GTA. This finding suggests that TSS would need to add over 270 staff to be comparable with other GTA municipalities.

Community Impact Measure

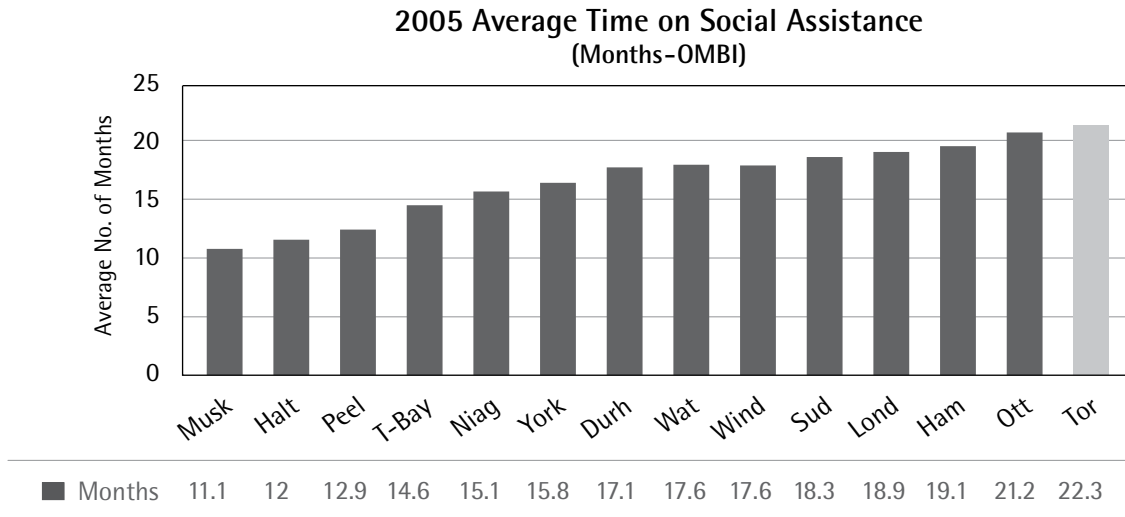
Beneficiaries per 100,000 population is tracked vs. other municipalities as part of the Ontario Municipal Benchmarking Initiative (OMBI).



The City of Toronto has the highest percentage of beneficiaries per 100,000 population when compared to other Ontario municipalities. Municipal caseloads are influenced by its unique demographic, social, and economic conditions.

TORONTO SOCIAL SERVICES (TSS)

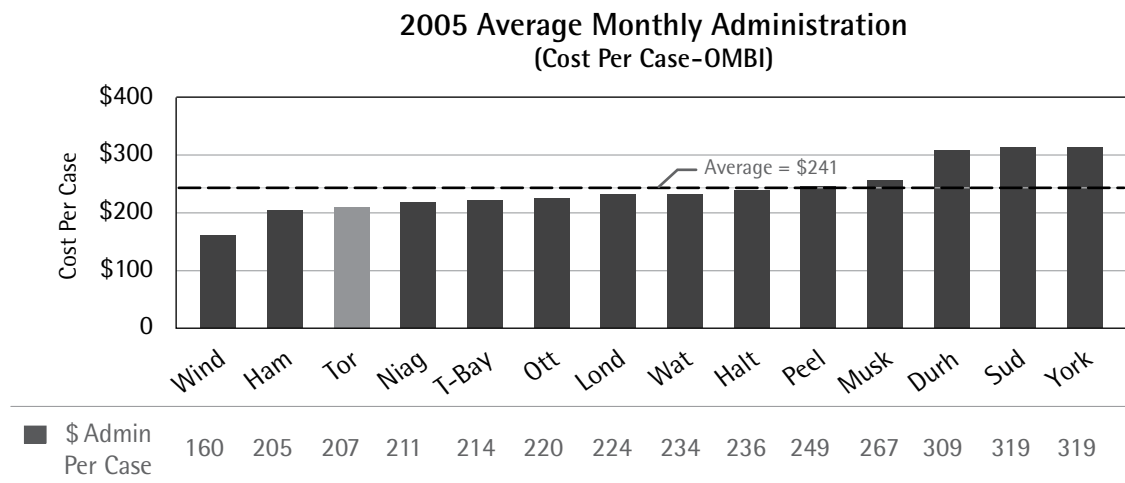
Average time on social assistance vs. other municipalities is tracked as part of the Ontario Municipal Benchmarking Initiative (OMBI).



The average time spent on social assistance is greater in Toronto than other Ontario municipalities due to factors such as: availability of employment opportunities, socio-demographics of the case load, different service delivery models, and different municipal business practices.

Key OMBI Benchmarks

Average monthly administration cost per case is tracked vs. other municipalities as part of the Ontario Municipal Benchmarking Initiative (OMBI).



Efficiency

TSS's average monthly administration cost per case of \$206.95 is 16.4% lower than the average of 13 other municipalities participating in the OMBI survey.

TORONTO SOCIAL SERVICES (TSS)

2007 OPERATING BUDGET HIGHLIGHTS

- Average monthly OW caseload of 75,000 is determined based on historical trends, analysis of caseload dynamics, economic forecasts related to Toronto's labour market and a review of OW policy changes likely to impact caseloads.
- Social assistance payments include the impact of the 2% OW rate increase that was implemented in December 2006. The additional 2% OW rate increase effective in December 2007 will be absorbed by the Province in 2007.
- will complete and/or update over 200,000 OW client employment participation plans which are critical to clients' efforts to obtain the skills and supports necessary to re-enter the workforce
- 19,000 clients per month will participate in basic education programs
- Job and agency fairs for OW clients across the city will help connect 8,400 clients with potential employers.
- implement projects approved under the City's Action Plan for Social Assistance, including Investing in Neighbourhoods and Investing in Families
- The City's share of the Ontario Disability Support Program (ODSP) and the Ontario Drug Benefits (ODB) programs delivered by the Province is \$175.0 million. These are uncontrollable costs downloaded by the Province.
- OW cost of administration (COA) is subject to 50/50 cost-sharing agreement with the provincial government. However, the Province has capped the amount it contributes to OW COA, and in 2007, the provincial cost-sharing shortfall is expected to reach \$29.3 million. This represents only 32.7% of the actual cost of administration.

2008/2009 OPERATING BUDGET OUTLOOK

- Maintaining effective and responsive community services in the face of declining provincial subsidies along with an uncertain policy and fiscal environment will continue to be a challenge. However, in August 2006, the provincial government launched a joint review aimed at improving delivery and funding of municipal services for Ontario families. The Provincial-Municipal Fiscal and Service Delivery Review will be conducted by both orders of government over the next 18 months. A public report will be released in the spring of 2008 and some of the areas that may be examined include the delivery and funding of social services.
- The 2007 Operating Budget relies on draws from both the Social Assistance Stabilization (SAS) Reserve Fund and OW Reserve Fund, as well as implementing efficiency initiatives such as procedure reviews and pursuance of best practice on services delivery and program management to maintain current service levels. However, given the growth in ODSP/ODB costs, the provincial OW Cost of Administration subsidy shortfall and the depletion of both the SAS Reserve Fund and OW Reserved Fund, a 0% target for 2008 and 2009 cannot be achieved without impacting the core service delivery and overall public service.

TORONTO SOCIAL SERVICES (TSS)

2007 CAPITAL BUDGET

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan (all Service Enhancements) utilizes web applications/new technology upgrades to assist the program in implementing a more client-centric approach to service delivery and in managing its operation more efficiently and effectively.

Toronto Social Services has developed and implemented many supplemental systems & tools to facilitate supports and services over the years. In 2005, an IT Strategy and an associated IT Strategy Roadmap were developed. In the process, four client centric initiatives were identified: Streamlined Web-based Access to Social Assistance, Employment Assistance Management, Case Management and MIS - Data Mart.

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Capital Budget, fully funded by provincial revenues, includes three projects:

- completion of Streamlined Web-based Access to Social Assistance at a cost of \$1.2 million in 2007
- development of Employment Assistance Management System at a cost of \$2.0 million to be completed in 2010
- development of Data Mart infrastructure enhancements at a cost of \$1.5 million with completion scheduled for 2010

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following 4 projects:

- **Streamlined Web-based Access to Social Assistance**
This project will provide web-enabled interactive tools to support clients and community partners and improve service delivery by offering another channel for clients and community partners to obtain information, self-assess potential eligibility, complete on-line applications and self-select an appointment time for the Ontario Works program.
- **Employment Assistance Management System**
This project will develop an efficient and reliable web-based solution to support strategic areas such as vendor relationships, OW program delivery, and a client centric case management approach. This new system will simplify, automate and standardize business processes, improve allocation of resources for service delivery and audit tracking, and establish a model for the integration of other Employment Assistance initiatives, Ontario Works programs and vendor relationships.
- **Data Mart Infrastructure Enhancement**
This project will facilitate the creation of divisional and ad hoc management and operational reports by integrating financial, client services, and Employment Resource Centre statistics data from various systems to facilitate in-depth information gathering and trend analysis.

TORONTO SOCIAL SERVICES (TSS)

- **Case Management application**

This project will integrate all components of the OW program outside of eligibility assessment and social assistance financial management. The application will provide start-to-finish case management tools, tracking, placement, review, special requirements, quality assurance and exit planning for OW clients.

This project costs \$2.0 million and will commence in 2008 and be completed in 2010.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
New Projects						
Ontario Work External Web	1,200	-	-	-	-	1,200
Employment Assistance Management System	350	850	400	400	-	2,000
Data Mart Infrastructure Enhancement	150	450	400	500	-	1,500
Total New Projects	1,700	1,300	800	900	0	4,700
Total Social Services	1,700	1,300	800	900	0	4,700

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The Five-Year Capital Plan will not impact the Program's Operating Budget as both the recommended projects and the three temporary staff that will be hired to manage the projects will be funded by provincial revenue. The program's permanent IT staff will assume responsibility for ongoing maintenance; thus, there will be no additional costs to the program's operating budget upon completion of the projects.

BACKLOG ANALYSIS

The program does not have a backlog of projects. In the 2006 Approved Capital Budget, state of good repair (SOGR) capital requirements for City-owned buildings were transferred to and consolidated within the Facilities and Real Estate Capital Budget.

3-1-1 CUSTOMER SERVICE STRATEGY

MISSION STATEMENT

The City's "3-1-1" service strategy will ensure that all residents, businesses and visitors receive convenient, prompt and reliable access to accurate information and non-emergency City government services. The City's "3-1-1" service strategy will enable the Toronto Public Service to provide excellent service to the public 24/7, with respect to professionalism and integrity, making the best use of staff expertise, resources and technology.

2006 KEY ACCOMPLISHMENTS

- established formal management plans to ensure consistency within all sub-projects
- recruitment, selection and training of sub-project Work Package Leaders and Research Analysts
- provided on-going monitoring and support for the overall project including contract management, oversight of all sub-project contracts and status reports
- facilitated cross-divisional/functional requirements and identification of project interdependencies with relevant teams
- facilitated formal linkages with other related corporate/divisional initiatives for better co-ordination and management of related issues
- co-ordinated ongoing communications to staff and the public and presentations to foreign delegations and related customer service conferences
- co-ordinated GTA Municipalities/National Municipal Network for 3-1-1 related activities

2007 PROGRAM OBJECTIVES

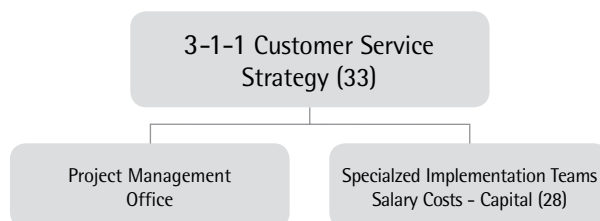
The 3-1-1 Customer Service Strategy introduces a new customer service delivery model, which will be implemented by the City of Toronto over a three year period. The 3-1-1 service delivery models are recognized as a municipal brand of service excellence throughout North America.

- The project will streamline and improve public access to City services and provide consistent customer service delivery across all available channels (telephone, web, counter, e-mail).
- The continued construction of the 3-1-1 knowledgebase will enable 3-1-1 staff to answer 70 per cent of the public's calls at the first point of contact.
- Electronic capacity to track service request forms from start to completion will be developed and the general public will eventually be able to track their own service requests online.
- The project is also expected to greatly enhance strategic deployment of internal resources due to the precision of tracking information; and to improve public perceptions of City Hall as efficient and effective.

3-1-1 CUSTOMER SERVICE STRATEGY

PROGRAM MAP

3-1-1 Customer Service Strategy is comprised of two services, with a total staffing complement of 33 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- manage project plan, deliverables and schedule to implement the 3-1-1 project based on Council approved model
- provides status reports, capital/operating budget and recommendations, budget variance reports, briefings and presentations on specialized project components, other change request briefings to support the oversight roles of the 3-1-1 Steering Committee and Council
- co-ordinate, monitor and report on the progress of all 3-1-1 capital subprojects
- build specialized components for each sub-project to ensure that the city's ready for the 3-1-1 Launch

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	4,502.5	1,756.2	2,938.5	(1,564.0)	(34.7)
Materials & Supplies	5.0	9.4	5.2	0.2	4.0
Equipment	9.1	3.0	9.3	0.2	2.2
Services & Rents	62.0	23.5	63.0	1.0	1.6
Contributions & Transfers	0.8	0.8	0.8	0.0	0.0
Others (Includes IDCs)	0.0	2.1	0.0	0.0	N/A
Total Gross Expenditures	4,579.4	1,795.0	3,016.8	(1,562.6)	(34.1)
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	4,189.5	1,407.0	2,626.9	(1,562.6)	(37.3)
Total Non-tax Revenues	4,189.5	1,407.0	2,626.9	(1,562.6)	(37.3)
Net Budget	389.9	388.0	389.9	0.0	0.0
Approved Positions	28.0	28.0	33.0	5.0	17.9

3-1-1 CUSTOMER SERVICE STRATEGY

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Project Mgmt Office	413	383	616	390	576	390	(40)	(6.5)	-	0.0
Salary Cost - Capital	-	-	3,963	-	2,441	-	(1,523)	(38.4)	-	0.0
Total Program Budget	413	383	4,579	390	3,017	390	(1,563)	(34.1)	-	0.0

2007 OPERATING BUDGET HIGHLIGHTS

This project will continue the work of strengthening and improving public access to City services and building components to provide:

- a knowledge database that will enable 3-1-1 staff to answer 70 per cent of the public's calls at the first point of contact
- electronic capacity to track service request forms from start to completion
- quick, accurate information for Council on ward activity
- full service transaction data to better inform the allocation of internal resources
- improved public perceptions of City Hall as efficient and effective

2008/2009 OPERATING BUDGET OUTLOOK

- The Project Management Office will continue to provide support to the 3-1-1 Customer Service Strategy until a successful launch in 2009. Presently, a zero net increase is anticipated in 2008 and 2009 for the Project Management Office.
- The project will result in the establishment of the new 3-1-1 Division, which could have an incremental net operating budget impact in 2008 (part year impact), 2009 and beyond. In order to assess potential incremental operating budget requirements, further information concerning the 3-1-1 technology infrastructure is required. This information will not be available until later during project implementation. The Deputy City Manager for Citizen Services "A" will report to Budget Committee on operating costs for the 3-1-1 Division prior to the 2008 Operating Budget Process.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- established formal project management model for nine sub-projects
- launched online service page in June 2006
- construction on facility began in September 2006
- content development completed for 14 divisions
- business process review completed for two divisions
- technology RFP released and evaluated in 2006

3-1-1 CUSTOMER SERVICE STRATEGY

FIVE-YEAR STRATEGIC OBJECTIVE

The full 3-1-1 Customer Service Strategy is scheduled to be completed in 2009.

2007 CAPITAL BUDGET HIGHLIGHTS

- knowledge base content development and business process reviews requiring funding in the amount of \$0.500 million
- Metro Hall Council Chamber retrofit and 3-1-1 contact centre facility construction in the amount of \$1.520 million, which will be completed in 2007
- 3-1-1 Technical Solution RFP award and core technology acquisition of \$8.754 million
- electronic integration between the 3-1-1 system and other service order systems in the amount of \$0.100 million
- design and development of training courses in the amount of \$0.297 million
- privacy consultant services to complete privacy and risk analysis in the amount of \$0.100 million
- communication strategy in the amount of \$0.040 million

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- The Metro Hall Council Chamber retrofit and 3-1-1 contact centre facility construction will be completed in 2007.
- Work on other specialized sub-project components will continue with scheduled completion in 2008
- Work on Phase II components will commence in 2008 and continue with scheduled completion in 2009
- Full 3-1-1 project completion is projected in 2009
- There are no Capital Budget implications beyond 2009

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Total Previously Approved	11,311	6,722	418	0	0	18,451
Total 3-1-1 Customer Service Strategy	11,311	6,722	418	0	0	18,451

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

Once implemented, the project will result in the establishment of the new 3-1-1 Division, which could have an incremental operating budget impact in 2008 and beyond. In order to assess potential incremental operating budget requirements, further information concerning the 3-1-1 technology infrastructure is required. Issues such as working hours, health and safety, ergonomics, job evaluation and labour relations will affect the assessment of incremental operating impacts and will not be known until later during the project implementation, most likely 2007. They will be considered during the 2008 Capital and Operating Budget processes.

CITY OF TORONTO

2007
Budget Summary

**Citizen Focused
Services 'B'**



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CITY PLANNING

MISSION STATEMENT

To guide and manage the City's physical change and growth, and the effects on the social, economic and natural environment while seeking to enhance the quality of life for Toronto's diverse residential and business communities.

2006 KEY ACCOMPLISHMENTS

- 4,154 development applications processed
- secured (Ontario Municipal Board) OMB approval of the new Official Plan (save and except for certain housing policies, Special Policy Areas and a number of site specific appeals)
- responded to significant provincial planning initiatives: Places to Grow Plan, City of Toronto Act (Bill 53) and Planning Act Reform (Bill 51)
- City Council adoption of Design Review Pilot Program
- St. Clair Avenue Transit EA completed and construction of first phase of exclusive transit lanes completed
- City Council adoption of Heritage Property Tax Rebate Program

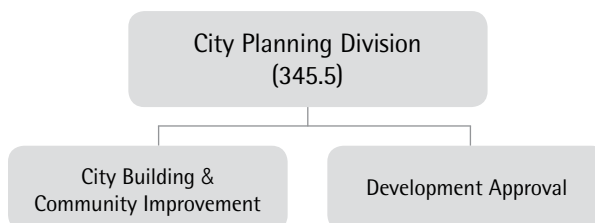
2007 PROGRAM OBJECTIVES

- development application approvals with extensive community consultation
- Official Plan – resolve outstanding site specific appeals through adjudication at the OMB or through settlements, as appropriate and complete Central Waterfront Plan – OMB hearing
- Area-based study work – Quarry Lands Review, York University Secondary Plan, Spadina Subway Extension Detailed Design, Downtown Growth Management Study, Don Mills Road Transit Improvements Environmental Assessment, Kingston Road Transit Improvements Environmental Assessment, Bremner Boulevard Transit EA, Waterfront Transit EA
- Zoning Bylaw Review – roll out of new parking standards for residential and commercial uses; extensive public consultation process to be launched
- responding to substantial provincial policy and legislative initiatives including policy development related to Planning Act Reform, Greater Golden Horseshoe Growth Plan and Regulations under the new City of Toronto Act
- complete Heritage Management Plan – Phase 1

CITY PLANNING

PROGRAM MAP

The City Planning Division's total 2007 recommended staff complement is 345.5 in the following services:



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- public engagement
- building complete communities
- transit-supportive development
- integrated transportation
- affordable housing
- environmental sustainability
- beautiful places and spaces
- protecting employment

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	29,446.8	27,927.4	30,969.5	1,522.7	5
Materials & Supplies	150.5	140.6	170.4	19.9	13
Equipment	338.0	132.1	224.8	(113.2)	-33
Services & Rents	1,950.5	1,161.6	1,995.3	44.8	2
Contributions & Transfers	0.0	94.0	94.0	94.0	N/A
Others (Includes IDCs)	351.4	577.8	41.3	9.9	23
Total Gross Expenditures	32,237.2	30,033.5	33,885.3	1,648.1	5
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	48.6	0.0	0.0	N/A
User Fees	17,058.7	15,744.8	18,328.2	1,269.5	7
Reserves/Reserve Funds	1,493.2	1,427.4	1,677.7	184.5	12
Other (Includes IDR)	490	313.8	460.6	(29.6)	-6
Total Non-tax Revenues	19,042.1	17,534.6	20,466.5	1,424.4	7
Net Budget	13,195.1	12,498.9	13,418.8	223.7	2
Approved Positions	346.5	304.5	345.5	(1.0)	0

CITY PLANNING

2007 OPERATING BUDGET BY SERVICE

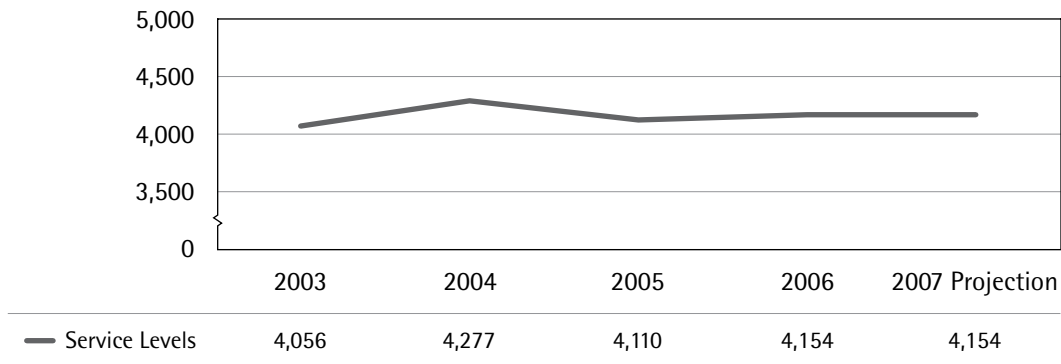
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
City Planning	29,926	13,308	32,237	13,195	33,885	13,419	1,648	5.1	224	1.7
Total Program Budget	29,926	13,308	32,237	13,195	33,885	13,419	1,648	5.1	224	1.7

KEY PERFORMANCE MEASURES

Development Application Review

This measure indicates the number of applications received and processed annually by the City Planning Division, and includes all applications (Committee of Adjustment, Official Plan and Zoning By-law amendments, Site Plan, Plans of Sub-division, Condominium approval and Part Lot Control). The number of applications received has tended to remain fairly stable over the years.

Output: Development Application Review
 Number of Planning applications and
 Committee of Adjustment applications processed

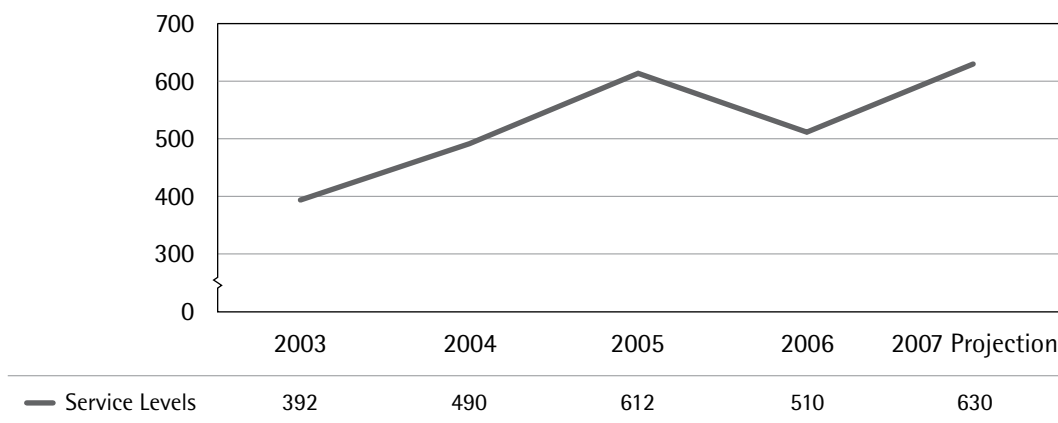


CITY PLANNING

Public Engagement

This measure is a general indicator of community engagement carried out by staff of the City Planning Division. In 2004, the number of public meetings rose as a result of public consultations on the St. Clair Avenue transit project, the Zoning Bylaw Project, local area studies and additional requests from Councillors and communities for more meetings around complex planning projects. This trend has continued dramatically throughout 2005 both with respect to development applications and Heritage Preservation Services initiatives.

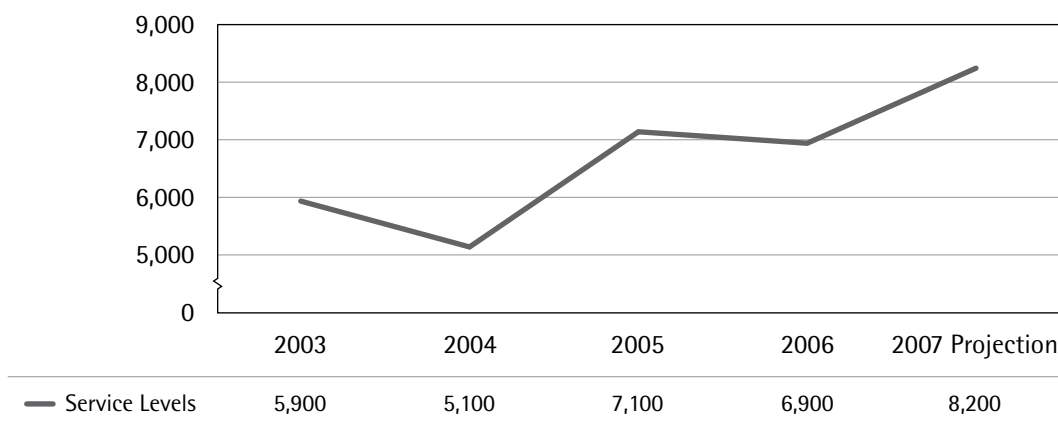
Community Impact: Public Engagement
Number of non-statutory civic engagement community meetings attended by City Planning staff



Urban Design and Architecture

This measure roughly shows the extent of community impact of civic improvement activities across the City. With limited resources, the Civic Improvement Program leverages design improvements to streetscapes being reconstructed by other Divisions and ABCs (e.g. Transportation Services, TTC).

Community Impact: Urban Design and Architecture
Number of linear meters of streetscape enhancements



CITY PLANNING

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- receive and process 4,154 development applications;
- 17 design charettes and workshops to be carried out by City Planning staff;
- support 8,200 linear meters of streetscape enhancements; and 630 community engagement meetings to be carried out by staff of the City Planning Division.

2008/2009 OPERATING BUDGET OUTLOOK

- to maintain current service levels in 2008, City Planning will incur incremental expenditures arising from Cost of Living Adjustments (COLA) and an additional working day in the calendar year (Inflationary adjustments to revenues and annualizations to fee increases will somewhat mitigate these incremental increases to gross expenditures.)
- current service levels can be maintained in 2009 with a decrease in net expenditures (This is the result of the loss of a working day in the calendar year coupled with inflationary increases to revenues. The outlook for 2009 does not include a provision for COLA, as the increase is subject to future negotiations.)
- The anticipated completion of the new Zoning By-Law in 2009 will result in a decrease of three positions in 2008 and an additional decrease of 12.5 positions in 2009 which are no longer a requirement for support of the new Zoning By-Law. These positions are funded from Capital and there is no net impact to the Operating Budget.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- **New Official Plan:** 2006 saw major settlements to the appeals to the new Official Plan approved by Council and the approval by the Board on July 6th of more than 90 per cent of the Plan.
- **Natural Heritage Study:** 2006 was the second year of this multi-year project to identify and assess the value of natural heritage areas in the City.
- **Civic Improvement Program:** this program includes projects related to the Council's Beautiful City initiative. The total cash flow in 2006 was projected at \$2,659K.

FIVE-YEAR STRATEGIC OBJECTIVE

The strategic direction reflected in the Five-Year Capital Plan focuses on making progress in improving public spaces and making Toronto a Clean and Beautiful City, while addressing legislated requirements and growth related studies and projects. All capital needs are addressed with this plan.

The Five-Year Capital Plan consists of six major capital initiatives: Civic Improvements, The New Official Plan, The New Zoning-By-Law, Natural Heritage Studies, Toronto Archaeological Studies, and other Growth-Related Studies.

CITY PLANNING

The Five-Year Capital Plan reflects a decrease in legislated projects and an increase in growth related projects as the Plan moves forward from 2007 to 2011. This is driven by the anticipated completion of the New Zoning Bylaw project in 2008 with costs in 2009 and 2010 budgeted for support for legal challenges after completion of the Bylaw, and Official Plan completion in 2007 with costs in 2011 projected for a Five-Year Review.

2007 CAPITAL BUDGET HIGHLIGHTS

- 25.9% of the 2007 new cash flow is allocated to Legislated projects at \$1.882 million; 41.4% is allocated to Civic Improvement projects at \$3.000 million and 32.7% to Growth projects at \$2.373 million
- The 2007 Capital Budget will see the completion of six projects including the two Ontario Municipal Board (OMB) Legal Support sub-projects within the New Official Plan, three Development Charge-funded Studies and the completion of the Intensification & Tall Building Location Analysis.
- The 2007 Capital Budget will also see the start up of the Toronto Archaeological Resources Plan Phase II, Neighbourhood Beautification, and the continuation of seven on-going projects which include Routes, Places, New Official Plan, Avenue Studies, Growth Studies, Environmental Assessment Transit Studies and Natural Heritage Inventory Studies.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following three projects:

- **Neighbourhood Beautification Project (\$11.6 million)**
The Neighbourhood Beautification Project will help make Toronto a "cleaner and more beautiful City" with the investment of \$11.560 million from 2007–2010 which will support projects that will make Toronto's neighbourhoods in all wards even more clean and beautiful.
- **Civic Improvement Program (\$15.0 million)**
Funding for the Civic Improvement Program which includes Routes, Places and Special Places/Gateway projects has been expanded to \$3.000 million per year, totalling \$15.000 million over City Planning's Five-Year Capital Plan. This will ensure special treatment for important streets and places which will improve the look and feel of the public realm.
- **Development Charge Funded Studies (\$5.7 million)**
Funding for the studies related to new growth include land use, transportation, built form, and urban design studies, in the form of plans, designs, reports, charettes and a symposium.

CITY PLANNING

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
New Official Plan	635	-	-	-	-	635
New Zoning Bylaw	2,106	1,147	-	-	-	3,253
Development Charge Funded Studies	1,909	-	-	-	-	1,909
Toronto Archaeological Resources	6	-	-	-	-	6
Places 2006	192	-	-	-	-	192
Routes 2006	619	-	-	-	-	619
Intensification & Tall Building Location	300	-	-	-	-	300
Yonge-Dundas Redevelopment	25	-	-	-	-	25
Total Previously Approved	5,792	1,147	0	0	0	6,939
New Projects						
Neighbourhood Improvements	1,000	-	-	-	-	1,000
Natural Heritage Inventory Studies	200	-	-	-	-	200
Places 2007	1,098	-	-	-	-	1,098
Routes 2007	1,902	-	-	-	-	1,902
Toronto Archaeological Resources 2007	50	-	-	-	-	50
Total Projects	4,250	0	0	0	0	4,250
Total City Planning	10,042	1,147	0	0	0	11,189

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The operating budget impact of previously approved and new Civic Improvement capital projects will increase the Parks, Forestry, and Recreation operating budget for maintenance of trees for streetscape enhancements and beautification with incremental impacts of \$0.065 million in 2007, and will be considered within the overall scope of the Parks, Forestry, and Recreation 2007 and future years' operating budget submissions. Future year impacts will be established once the mix of Civic Improvement projects is determined.

BACKLOG ANALYSIS

No backlog of State of Good Repair work exists for City Planning. The asset inventory is budgeted for and maintained by the City's Facilities and Real Estate Division.

CLEAN & BEAUTIFUL CITY SECRETARIAT

MISSION STATEMENT

The Clean and Beautiful City Secretariat acts as a resource for City Council's priority to make Toronto a cleaner and more beautiful city. The Secretariat leverages the City's investment in this initiative with the public and private sectors through neighbourhood beautification projects, education, advocacy, and new partnerships.

2006 KEY ACCOMPLISHMENTS

- co-ordinated and/or assisted with various programs including: Street Furniture Program and Clean & Beautiful City Appreciation Awards
- provided support to other divisions on Clean & Beautiful City program development and implementation
- provided strategic advice and staff support to the Roundtable on a Beautiful City
- facilitated approximately 40 neighbourhood beautification projects (100 over 2 years) including murals, orphan space enhancements, themed gardens, public art and attractive landmark features
- co-ordinated the second official Festival of Architecture & Design
- established a variety of new key private sector partnerships and opportunities for public involvement in beautification efforts

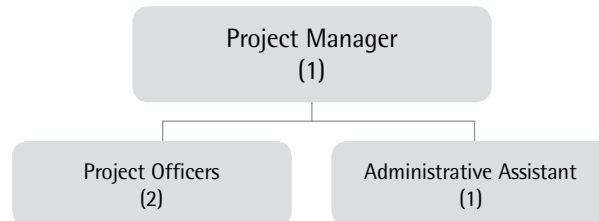
2007 PROGRAM OBJECTIVES

- co-ordinate and position city programs related to the Clean & Beautiful Initiative within city divisions
- deliver the Neighbourhood Beautification Program – identify and work with community groups on beautification projects in each of the city's 44 wards
- continue to work with City Councillors to identify and implement beautification opportunities in their wards
- develop and deliver the Expanded Neighbourhood Beautification Program
- identify and implement new partnership and funding opportunities
- identify new volunteer opportunities for the public, business and institutions
- identify and develop policies and programs that advance the initiative
- co-ordinate new programs as required, such as the Festival of Architecture & Design
- develop and support communication strategies to increase public education and awareness and involvement in making Toronto more clean and beautiful

CLEAN & BEAUTIFUL CITY SECRETARIAT

PROGRAM MAP

Clean & Beautiful City Secretariat is comprised of one service, with a total staffing complement of 4 approved positions. The 2 Project Officers are funded from Cluster A and B.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- co-ordinate and position city programs related to the Clean & Beautiful Initiative among all City divisions
- develop Enhanced Neighbourhood Beautification Project 2007–2010 as per the Mayor's mandate and deliver identified program areas
- identify and develop policies and programs that advance the initiative
- develop and support communication and education strategies to increase public awareness and involvement in making Toronto more clean and beautiful
- identify and implement new partnership and funding opportunities

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	196.5	165.9	202.3	5.8	3
Materials & Supplies	0.0	0.6	0.0	0.0	N/A
Equipment	15.9	2.0	10.0	(5.9)	-37
Services & Rents	69.0	13.6	193.0	124.0	180
Contributions & Transfers	-	-	-	0.0	N/A
Others (Includes IDCs)	66.0	66.1	661.0	595.0	902
Total Gross Expenditures	347.4	248.2	1,066.3	718.9	207
Funded by					
Prov. & Fed. Grants and Subsidies	-	-	-	0.0	N/A
User Fees	30.0	-	30.0	0.0	0
Reserves/Reserve Funds	-	-	-	0.0	N/A
Other (Includes IDRs)	-	-	-	0.0	N/A
Total Non-tax Revenues	30.0	0.0	30.0	0.0	0
Net Budget	317.4	248.2	1,036.3	718.9	226
Approved Positions	2.0	2.0	2.0	0.0	0

CLEAN & BEAUTIFUL CITY SECRETARIAT

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Clean & Beautiful City	326	326	347	317	1,066	1,036	719	207.0	719	226.6
Total Program Budget	326	326	347	317	1,066	1,036	719	207.0	719	226.6

KEY PERFORMANCE MEASURES

One of the key objectives of the Secretariat is to deliver the enhanced Neighbourhood Beautification Program by identifying beautification projects in each of the city's 44 wards, many of them involving work with community groups.

The Secretariat identified the capital and operating funds utilization rate and the number of wards with implemented community projects as effective performance measures.

Implementation of City-wide Capital Projects

- Although the secretariat's capital projects implementation plan is presently under development, it is anticipated that once completed, the plan will be rolled out and the budget allocation of \$1.0 million is expected to be spent by year end.

Implementation of Ward Community Projects

- Over the last two years, the Secretariat completed 100 neighbourhood beautification projects that included orphan space enhancements and attractive landmark features. The target will be to implement at least one community project per ward towards beautification of the City's neighbourhoods.

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- co-ordinating and positioning City divisions and external partners involved in the delivery of Clean & Beautiful City Initiative
- implementing the 2007–2010 Enhanced Neighbourhood Beautification Program as per the mayor's mandate
- identifying and developing policies and programs that advance the three-year Clean & Beautiful City Initiative
- developing and supporting communication strategies to increase public awareness and involvement in making Toronto more clean and beautiful
- The Clean and Beautiful City Secretariat will also continue to identify new funding opportunities and to develop new partnerships over the next two years.

CLEAN & BEAUTIFUL CITY SECRETARIAT

2008/2009 OPERATING BUDGET OUTLOOK

- implementation of the enhanced Neighbourhood Beautification program based on the mayor's mandate for a total of \$15,000 per ward in 2007 and \$20,000 per ward in 2008 (a net incremental impact of \$0.220 million)
- A plan will be developed for the multi-year Neighbourhood Beautification Program in 2007 to facilitate the delivery of \$20,000 in funding towards beautification projects in each city ward.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The Clean & Beautiful City Secretariat did not have a Capital Budget in 2006.

FIVE-YEAR STRATEGIC OBJECTIVE

An amount of \$1.0 million under the enhanced Neighbourhood Beautification program to fund capital projects was approved through the City Planning's 2007 Capital Budget and a further \$3.520 million per year in 2008 up to 2010 has been earmarked in the City's Five-Year Capital Plan, a multi-year plan is being developed by Clean and Beautiful City Secretariat staff.

An inter-divisional team is currently reviewing capital projects planned for 2008 to 2010 to determine whether any projects already planned meet this priority. The inter-divisional team will report back before the start of the 2008 budget process on a recommended plan.

2007 CAPITAL BUDGET HIGHLIGHTS

- A program is being developed by appropriate City program staff under the enhanced Neighbourhood Beautification Program for \$1.0 million approved through City Planning's 2007 Approved Capital Budget to fund capital projects City-wide.
- Some of the projects already identified include irrigation systems for orphan spaces, enhancements of entries to parks, trails and ravines, orphan spaces and public art projects.

CLEAN & BEAUTIFUL CITY SECRETARIAT

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

Total funding of \$11.56 million has been earmarked in the City's 5-Year Capital Plan with cashflows of \$1.0 million in 2007 and \$3.52 million annually from 2008 up to 2010.

A multi-year plan under the enhanced Neighbourhood Beautification program that is currently under development will identify capital projects to be delivered over the next four years.

2007 APPROVED CAPITAL BUDGET

\$1.0 million was approved in 2007 through City Planning's Capital Budget to fund neighbourhood improvement projects citywide.

FIRE SERVICES

MISSION STATEMENT

Toronto Fire Services is dedicated to protecting life, property and the environment from the effects of fires, illness, accidents, natural disasters and other hazards. Toronto Fire Services is committed to enhancing fire safety and raising community awareness through education and involvement. The Toronto Fire Service provides high quality and caring services to those who live in, work in, and visit our City...safely efficiently and effectively.

2006 KEY ACCOMPLISHMENTS

- responded to 35,199 alarms and put out 8,719 fires
- attended 73,140 requests for medical assistance
- performed 2,199 rescues and attended 12,198 vehicle incidents
- completed 40,258 building/residential inspections
- delivered 879 public education safety courses

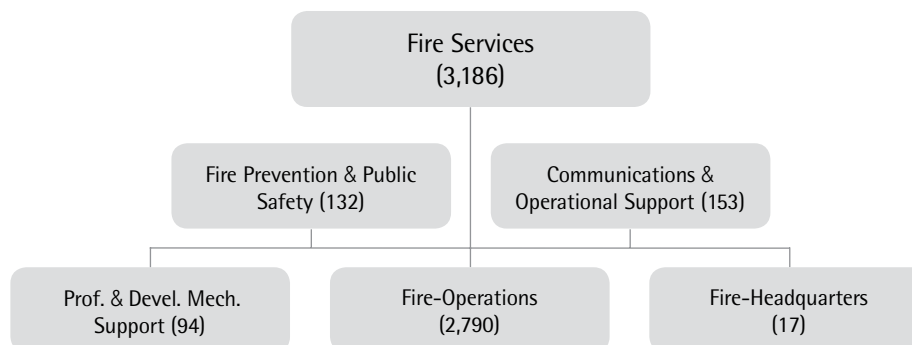
2007 PROGRAM OBJECTIVES

- The Strategic Plan of the Toronto Fire Services, released in January 2003, is currently being updated and is expected to be released by mid 2007. This plan will continue to build on post-amalgamation successes to provide a standard level of high quality service for the city. The areas to be addressed include organizational structure, leadership, roles and responsibilities, accountability, communication, standardization, the divisional planning process, and interdivisional co-ordination. The updated strategic plan will take into account the City's priorities and the new organizational structure of the City of Toronto.
- Also in development is a new Fire Master Plan, which will provide direction for the operational aspects of the Fire Services in the future. The recommendations of this plan will also begin implementation in 2007, and will play a role in the budget requests of the Fire Services in future years.
- In 2007, the Fire Services will continue implementation of solutions to the recommendations of the Fire Services Operational Review, conducted by the Auditor General and released in 2006.
- The 24-hour pilot project for the Operations Division of Fire Services has been extended for a second year to allow a more thorough review of the impacts, both positive and negative. If successful, the 24-hour shift may become the standard for the future of the Fire Services in 2008. At that time, all sections of the Fire Services will be reviewed with respect to hours of work, to ensure the most efficient operation. Impacts will also be considered with respect to the strategic plan.
- The Fire Service will continue to work towards reducing the number of false alarms. The War on Fire to reduce the incidents of preventable deaths and injury will continue.

FIRE SERVICES

PROGRAM MAP

Fire Services is comprised of five services, with a total staffing complement of 3,185.9 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- The Service will continue to work towards reducing the number of false alarms.
- The War on Fire to reduce the incidents of preventable deaths and injury will continue.
- Implementation of the Fire Master Plan will begin.
- Heavy Urban Search And Rescue (HUSAR) team and the Chemical, Biological, Radiological, Nuclear (CBRN) Response team will continue to be trained and equipped to be ready to respond to major disasters.
- Fire Prevention will promote the use of sprinklers in residential developments in the City to reduce the incidence of residential fire deaths.

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	303,792.9	307,875.9	314,298.4	10,505.5	3
Materials & Supplies	11,227.1	10,634.1	7,898.4	(3,328.7)	-30
Equipment	1,737.9	1,290.8	2,154.5	416.6	24
Services & Rents	6,227.1	5,563.6	6,416.5	189.4	3
Contributions & Transfers	7,594.4	7,636.0	8,513.6	919.3	12
Others (Includes IDCs)	4,807.0	5,831.1	5,469.2	662.2	14
Total Gross Expenditures	335,386.4	338,831.5	344,750.8	9,364.4	3
Funded by					
Prov. & Fed. Grants and Subsidies	400.0	444.8	400.0	0.0	0
User Fees	6,962.2	6,674.5	7,721.2	759.0	11
Reserves/Reserve Funds	-	-	-	0.0	N/A
Other (Includes IDRs)	3,767.9	3,966.0	545.0	(3,222.8)	-86
Total Non-tax Revenues	11,130.1	11,085.3	8,666.2	(2,463.8)	-22
Net Budget	324,256.3	327,746.2	336,084.5	11,828.2	4
Approved Positions	3,185.7	3,186.7	3,185.9	0.2	0

FIRE SERVICES

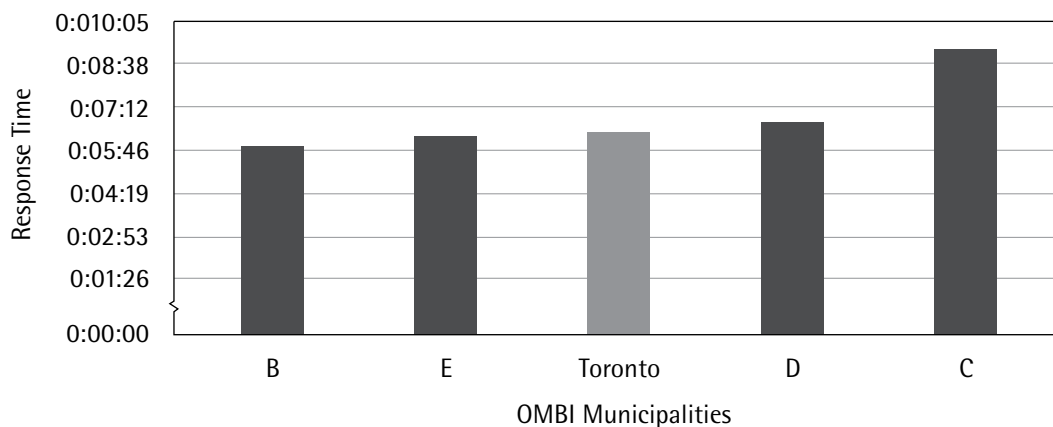
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Fire - Operations	246,557	242,118	267,217	260,655	276,780	269,510	9,563	3.6	8,856	3.4
Fire Prevention & Public Safety	12,033	11,733	13,065	12,765	13,453	13,102	389	3.0	337	2.6
Communications & Operational Support	24,941	24,449	29,311	25,817	27,461	27,015	(1,850)	N/A	1,198	N/A
Professional Dev. & Mech. Support	22,262	21,138	22,467	21,793	23,631	23,132	1,164	5.2	1,340	6.1
Fire - Headquarters	3,271	3,171	3,327	3,226	3,425	3,324	98	2.9	98	3.0
Total Program Budget	309,064	302,610	335,386	324,256	344,751	336,085	9,365	2.8	11,829	3.6

KEY PERFORMANCE MEASURES

Efficiency Measure

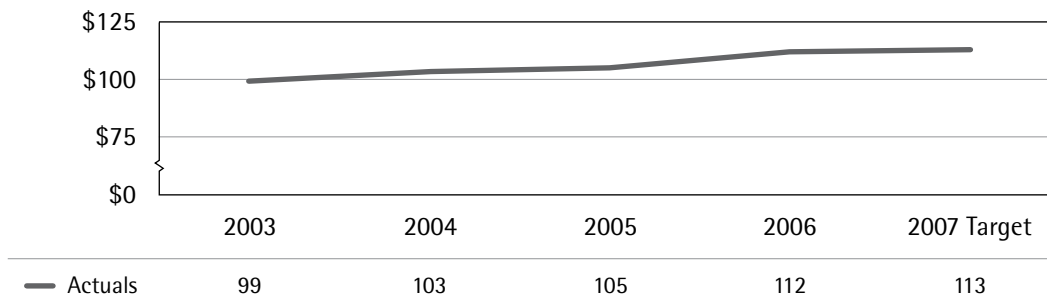
Actual 90th Percentile Response Time
(Station Notification to Arrival 2005)



This Ontario Municipal CAOs Benchmarking Initiative (OMBI) measure indicates Toronto's response time status in comparison to other large Ontario municipalities and against its stated goal of a four-minute response time.

FIRE SERVICES

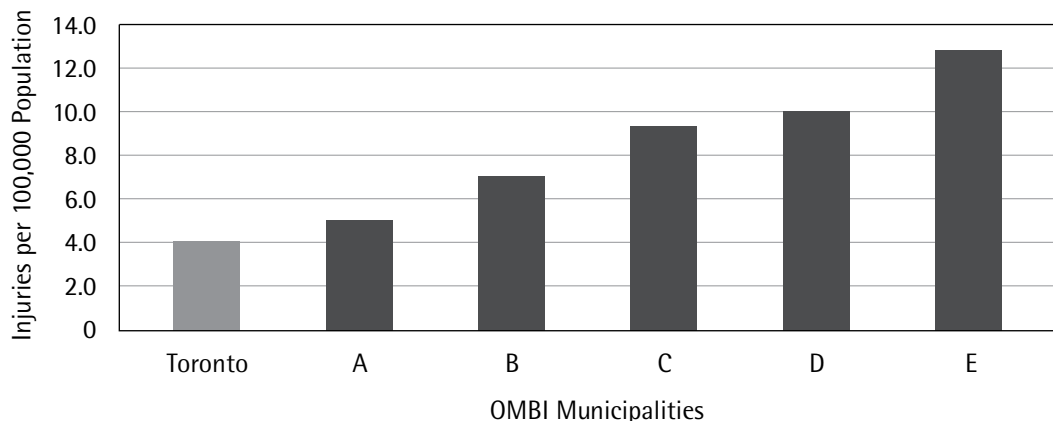
Fire Suppression—Cost per Capita



The increase in the cost per capita of providing fire services is largely due to the impact of harmonization of the former six collective agreements, and inflation-based salary increases from year to year (salaries make up over 90% of the Fire Services Operating Budget)

Community Impact Measure

Residential Fire Related Injuries
(Per 100,000 Population 2005)



The measure is affected by response travel times, building materials used, age and mobility of the residents, among other factors.

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget for Toronto Fire Services is based on fulfilling the goals outlined in their mission statement and will maintain, improve or implement the following services:

- providing the citizens of Toronto with the most effective and efficient fire protection and prevention service in order to reduce incidents of preventable death and injury and loss of property
- A key goal is the implementation of the 24-hour shift across the entire Fire Service. As the 24-hour pilot project is pursued, the 24-hour operation may become the standard for the future of the Fire Services in 2007/8.
- The Service will continue to work towards reducing the number of false alarms.

FIRE SERVICES

- Efforts to reduce the incidents of preventable deaths and injury caused by fire will continue. Work towards achieving a four-minute response time to fire incidence 90% of the time, inspect up to 46,000 existing, rehabilitated structures and new developments for Fire Code compliance annually and conduct public education forums (1,000 events annually) to promote fire safety through schools, special events and advertising consistent with the program's overall objectives.
- Implementation of the Fire Master Plan will begin mid-year 2007.
- HUSAR and CBRN teams will continue to be trained and equipped to be ready to respond to major disasters.
- Fire Prevention will promote the use of sprinklers in residential developments in the City to reduce the incidence of residential fire deaths.
- Contributions to the fleet reserve will approach the required level to enable vehicle replacement every 15 years. Annual contributions for the replacement of fire trucks have been increased by \$0.500 million so that \$6.061 million is available for required replacements in 2007. This will help reduce the back-log of ageing fire trucks.
- One technical staff position has been added to Fire Services to support the maintenance of computer equipment on fire trucks as part of the new mobile dispatch and records management system.
- As part of the City's management and accountability framework, a Fire Services' and EMS' program review of administration and management support services functions is planned for 2007. The review will provide a roadmap for administrative improvements on current industry best practices and the introduction of a new efficiency model. The recommendations from the study will take into consideration impact on service delivery to the public and will be included as part of every program recommendation.

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 and 2009 Outlook maintains the 2007 level of service while managing the cost of living allowance (COLA) and merit/step increments for union and non-union staff. The two-year outlook includes phased contributions of \$0.570 million in 2008 and in 2009 required to bring Fire Services' annual Vehicle and Equipment Replacement Reserve fleet contribution to its optimal level of \$7.200 million, and operating impacts of new ongoing costs that will be incurred as a result of the new Fire Station C of \$0.085 million in 2008 and (\$0.050) million in 2009, expected to be opened by the third quarter of 2007. As of June 2007, COLA increases for Firefighters local 3888 for 2008 and 2009 have been negotiated and included as part of the outlook.
- The strategic direction over the outlook years is continually based on fulfilling the goals outlined in their mission statement. This continues to include providing the citizens of Toronto with the most effective and efficient fire protection and prevention service. In so doing, Fire Services is facing the following challenges and issues:
 - > implementation of the 24-hour shift across the entire Fire Service (The 24-hour operation may become the standard for the future of the Fire Services in 2007/8 and beyond.)
 - > The service will continue to work towards reducing the number of false alarms and to reduce the incidents of preventable deaths and injury. Fire Prevention will continue to promote the use of sprinklers in residential developments in the City to reduce the incidence of residential fire deaths. HUSAR and CBRN teams will continue to be maintained and ready to respond to major disasters.

FIRE SERVICES

- > Implementation of the Fire Master Plan will begin mid-year 2007. The Fire Services Master and Strategic Plans are currently being updated together and are expected to be released during 2007. The updated Strategic Plan will take into account the City's priorities and the new organizational structure of the City of Toronto. The Fire Master Plan will provide direction for operations in the future. The recommendations of this plan will begin to be implemented in 2007, and will play a role in the budget requests of Fire Services in future years.
- > In addition, anticipated changes to the WSIB related Provincial Bill on claims for firefighters for occupational disease scheduled for 2007 may result in increased costs in 2007 and future years

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

Fire Services' capital spending totalled \$10.430 million or 74% of the 2006 approved cash flow of \$14.091 million. This was an improvement over 2005 capital expenditures which totalled 60% of budget. The following projects were completed in 2006: HUSAR Facility (\$2.517 million), Fire Station Alerting System Improvements (\$0.118 million), In-Floor Hoists - Toryork (\$0.050 million). Asset Management projects which comprise 22% or \$3.168 million of the total 2006 approved cash flow were 86% spent (\$2.708 million).

The under-spending in 2006 was mainly attributable to the following projects:

- HUSAR projects - included funding of the HUSAR Facility and for the HUSAR/JEPP 05/06 project which funds equipment and supplies. Due to the federal fiscal year end of March 31, 2006, there was insufficient time to spend total shared funding on the subsequent phase of the project, HUSAR/JEPP 06/07.
- The Computer Aided Dispatch/Record Management System (CAD/RMS)- the CAD/RMS was 68% spent as at December 31, 2006. The final phase of the record management component of the CAD system implementation was deferred to 2007 when the CAD/RMS acceptance testing and outfitting of the Command Post Vehicle and software will be completed.
- The Harbourfront Public Education/Training Centre project - the project is dependent on funding from other levels of government, public contributions and other fund raising initiatives. Funding from the provincial and federal governments as well as other sources was not realized in 2006; as a result, the project start date has now been deferred to between 2014 and 2016.

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan reflects all asset needs as presently determined by the Toronto Fire Services. Existing facility maintenance and new facility construction has been determined in consultation with Corporate Facilities and adjusted to reflect the debt guidelines and readiness to proceed. The Five-Year Capital Plan projected cash flows reflect an average of \$4.3 million in debt funding per year supporting such projects as Asset Management, Station C, and HUSAR Facility & Equipment.

FIRE SERVICES

An updated Master Fire Plan will result in a confirmation of the future station requirements, and will better define the years they are required based on current call volumes, population and growth statistics. As part of developing an affordable plan for station/facility reconstruction, certain facilities have been deferred to the 2012–2016 Capital planning period. A report on this issue is expected in May 2007.

The Radio Communication System Replacement Project is classified as a corporate project in conjunction with requirements of EMS and Police Services. This system needs to be replaced for all three services as it will no longer be supported by the manufacturer by 2011. As a result, \$70 million in total project cost, with an initial \$0.250 million in each of 2007 & 2008 for consultant expenses, has been budgeted corporately.

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Capital Budget for Fire Services with a total cash flow including amounts carried forward from prior years is \$8.841 million and includes previously approved commitments and new/change in scope projects requiring 2007 cash flow of \$6.329 million gross. This cash flow combined with carry forward funding of \$2.512 million for 2006 projects brings the total 2007 Capital Budget to \$8.841 million gross.

The 2007 Capital Budget of \$6.329 million (excluding amounts carried forward) is allocated 42% to State of Good Repair projects at \$2.640 million; 34% to Growth-Related projects at \$2.150 million; 13% to Legislated projects at \$0.849 million and 11% to Health & Safety projects at \$0.690 million. The capital budget for Fire Services includes funding for:

- Growth Related projects namely for the completion of the new Station C at Leslie/Bayview.
- State-of-Good-Repair projects such as CAD/RMS (Computer Aided Dispatch and Records Management System) to improve response times, Toryork Bays Extension to enable less down time for repair of fire trucks, Asset Management 2007 to maintain facilities and funding to start the design and re-engineering of the power supply for the Dufferin Street headquarters.
- Legislated projects include the HUSAR Equipment projects to ensure effective response in situations requiring Heavy Urban Search and Rescue, Training Facilities Renovations, and Hand-held Wireless Devices for Fire Prevention Inspectors to conduct building and fire/life safety system inspections.
- Health & Safety projects include Portable Radio Additions to ensure all firefighters have access to a radio, Antenna Tower Remediation to dispose of obsolete equipment and Downtown & Waterfront Radio Coverage Enhancements to improve communication between firefighters in the downtown core.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- The Five-Year Capital Plan (2007 Recommended Budget and 2008–2011 Plan) requires cash flows of \$6.329 million in 2007, \$4.255 million in 2008, \$4.050 million in 2009, \$4.050 million in 2010 and \$3.909 million in 2011.
- The Five-Year Capital Plan reflects all asset needs as presently determined by the Toronto Fire Services. Existing facility maintenance and new facility construction has been determined in consultation with Corporate Facilities and adjusted to reflect the debt guidelines.

FIRE SERVICES

- State of Good Repair (SOGR) projects comprise an average of 80% of funding of the Five-Year Plan. The average request over five years is \$3.606 million excluding the Radio Communication System Replacement project. Major expenditure/debt drivers for the five-year period include the Toryork Bays Extension project for funding of \$2.984 million or 17%, Asset Management for funding of \$12.773 million or 70% and equipment (includes HUSAR) for funding of \$2.273 million or 13%.
- Growth comprises an average of 10% of allocated funding in the Five-Year Plan. The only growth project is Station C which is 50% funded by Development Charges for a total cash flow of \$2.242 million in 2007. The balance of growth projects have been re-scheduled to the 2012–2016 period. The Growth categories are composed of fire station builds and training facilities and are prioritized based on resource/land availability and current assessed need to maintain appropriate response times in the course of providing fire protection services. This was originally based on the 1999 KPMG study regarding optimization of the fire station plan.
- The Five-Year Capital Plan reflects the movement of planned major facilities to the period 2012–2016. Fire Services have identified 11 facilities within the draft Master Fire Plan which is expected in 2007. This Plan is meant to allow Toronto Fire Services to review facility costing and priority in conjunction with other City priorities in order to revise the Toronto Fire Services 2007–2016 Capital Program at a sustainable funding level and that also serves the needs of the population.
- The \$70 million cost of the Radio Communication System Replacement Project in 2009 to 2011 had been addressed in 2006 by reclassifying the project as a corporate priority and reflecting the Toronto Fire Services' requirements together with similar joint requirements of EMS and Police Services as a separately managed program. This will be funded through a corporate project and so does not effect the debt availability for these Services' regular capital works

FIRE SERVICES

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Station C (Sheppard/Leslie/Bayview)	2,150	-	-	-	-	2,150
Portable Radio Addition	490	-	-	-	-	490
Asset Management 2006 Site Work	415	-	-	-	-	415
Asset Management 2006 Emergency Repairs	400	-	-	-	-	400
CAD/RMS- Computer Aided Dispatch System	343	-	-	-	-	343
Training Facilities Renovations	294	294	-	-	-	588
HUSAR/JEPP 06/07 Project	270	-	-	-	-	270
Total Previously Approved	4,362	294	0	0	0	4,656
New Projects						
Asset Management-2007 Site Work	534	278	-	-	-	812
Toryork Bays Extension	399	1,585	1,000	-	-	2,984
Hand-Held Wireless Devices for Fire Prevention	285	-	-	-	-	285
Pro Fuel System Installation	180	-	-	-	-	180
EMS Fire HQ Power System Upgrade	150	-	-	-	-	150
Asset Management-2007 Environmental	104	55	-	-	-	159
Asset Management-2007 Pre-engineering	103	51	-	-	-	154
Antenna Tower Remediation Project	100	-	-	-	-	100
Downtown/Waterfront Radio Coverage	100	-	-	-	-	100
Asset Management 2007 Building Conditions	12	8	-	-	-	20
Total New Projects	1,967	1,977	1,000	0	0	4,944
Total Fire Services	6,329	2,271	1,000	0	0	9,600

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget consists of new debt service costs and net program costs. New debt service costs include \$0.152 million in 2007 and incremental costs of \$0.624 million in 2008, \$0.280 million in 2009 and \$0.110 million in 2010. The Fire Services' Five-Year Capital Plan will result in operating impacts of \$0.060 million for 2007, \$0.085 million for 2008, (\$0.050) million for 2009 and \$0.045 million for 2010 and are driven by the following projects:

- HUSAR/CBRN Facility: the operating impact associated with this project is estimated to be \$0.060 million per year for building maintenance and support starting in 2007.
- Station C (Sheppard Ave between Leslie/Bayview): the \$0.085 impact in 2008 is the estimated cost for first-year maintenance after completion of this project.

FIRE SERVICES

ASSET INVENTORY

- Fire Services has the responsibility for maintaining operational facilities and vehicles. The following represents the two major groupings of assets:

Group	Quantity	Asset
Facilities	81	Fire Stations
	3	Training Facilities
	1	Maintenance Facilities
Vehicles	179	Heavy Fire Vehicles
	185	Light Vehicles
	2	Fireboats

BACKLOG ANALYSIS

Backlog of projects typically represents work deferred from past years as well as items requested for 2007 to 2011, which cannot be accommodated in the budget given the established debt targets and capacity to spend. As part of SOGR backlog for Fire Services, the ongoing planned asset management projects for the maintenance of stations and facilities have been deferred which increases the backlog of work that needs to be addressed. In meeting the budget state of good repair (SOGR) was deferred allowing for completion of growth projects such as Station C. As a result, the estimated SOGR backlog would increase from \$0.744 million in 2007 to approximately \$2.2M by 2011.

With this budget, Fire Services has a SOGR plan that is consistent with annual debt targets and does not currently plan to explicitly address this backlog. The program intends to manage SOGR requirements in consultation with Corporate Facilities within the Five-Year Capital Plan.

It also should be noted that while Service Improvement/Growth projects related to facility construction have been rescheduled into the period 2012–2016 in order to mitigate mid-term pressures related to funding, the updated Master Fire Plan, expected to be presented in 2007, will set out priorities, timelines and cash flow requirements for 2007–2016.

MUNICIPAL & LICENSING STANDARDS

MISSION STATEMENT

As the Municipal Licensing and Standards Division, we strive to be a leader in supporting the City of Toronto as a safe, vibrant, creative and clean community through bylaw administration and enforcement serving those who live, work and visit in the city.

2006 KEY ACCOMPLISHMENTS

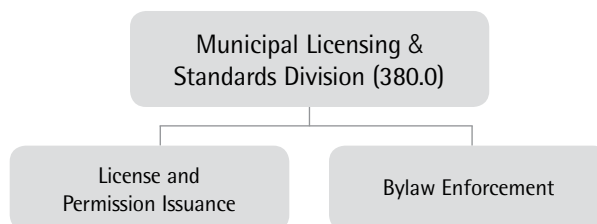
- launched Apartment Standards Disclosure website for violations in multi-unit residential properties
- licensing and regulating of entertainment facilities to improve safety and security in entertainment uses by requiring noise, litter and crowd control plans along with requirements for metal detectors and a ratio of security guards to patrons
- regulating of garage sales, posters on public property and requiring mandatory food handlers certification
- implemented call centre for Licensing Services

2007 PROGRAM OBJECTIVES

- implementing a strategic planning process resulting in the development of a vision document, divisional goals and work-unit objectives to ensure service delivery focuses on the four E's: efficient, effective, economical and essential
- develop and implement communication initiatives to enhance the awareness of council members, the public and other City divisions and partners of the Division's work
- responding to legislative changes contained in the new City of Toronto Act
- improve the existing technology:
 - > implement a remote-based case management system for investigation files
 - > 3-1-1 Readiness
 - > provide more readily available information system to facilitate routine disclosure of public information, whenever possible
- to maximize opportunities to co-ordinate policy, investigation and enforcement activities across the City's regulatory enforcement community
- develop and implement performance standards and benchmarks for work processes
- process map issuance, inspection and enforcement practices to identify opportunities to enhance service delivery and to forecast activity levels
- obtain resources and modify processes to better manage the workload volume of the district offices
- consolidation of the Licensing Services offices
- obtain resources to improve counter service delivery to clients

MUNICIPAL & LICENSING STANDARDS

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- implement strategic/business planning process
- maximize opportunities to co-ordinate policy, investigation and enforcement activities across City regulatory enforcement community
- responding to legislative changes contained in the new City of Toronto Act

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	27,460.5	25,056.0	27,379.8	(80.7)	0
Materials & Supplies	373.5	328.2	572.8	199.3	53
Equipment	391.4	210.2	302.2	(89.2)	-23
Services & Rents	1,637.1	1,273.5	1,733.0	95.9	6
Contributions & Transfers	197.0	186.5	212.0	15.0	8
Others (Includes IDCs)	3,550.8	3,630.6	3,438.4	(112.4)	-3
Total Gross Expenditures	33,610.3	30,685.0	33,638.2	27.9	0
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	23,775.7	20,645.5	22,320.9	(1,454.8)	-6
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	505.1	153.8	300.8	(204.3)	-40
Total Non-tax Revenues	24,280.8	20,799.3	22,621.7	(1,659.1)	-7
Net Budget	9,329.5	9,885.7	11,016.5	1,687.0	18
Approved Positions	381.0	326.0	280.0	(1.0)	0

MUNICIPAL & LICENSING STANDARDS

2007 OPERATING BUDGET BY SERVICE

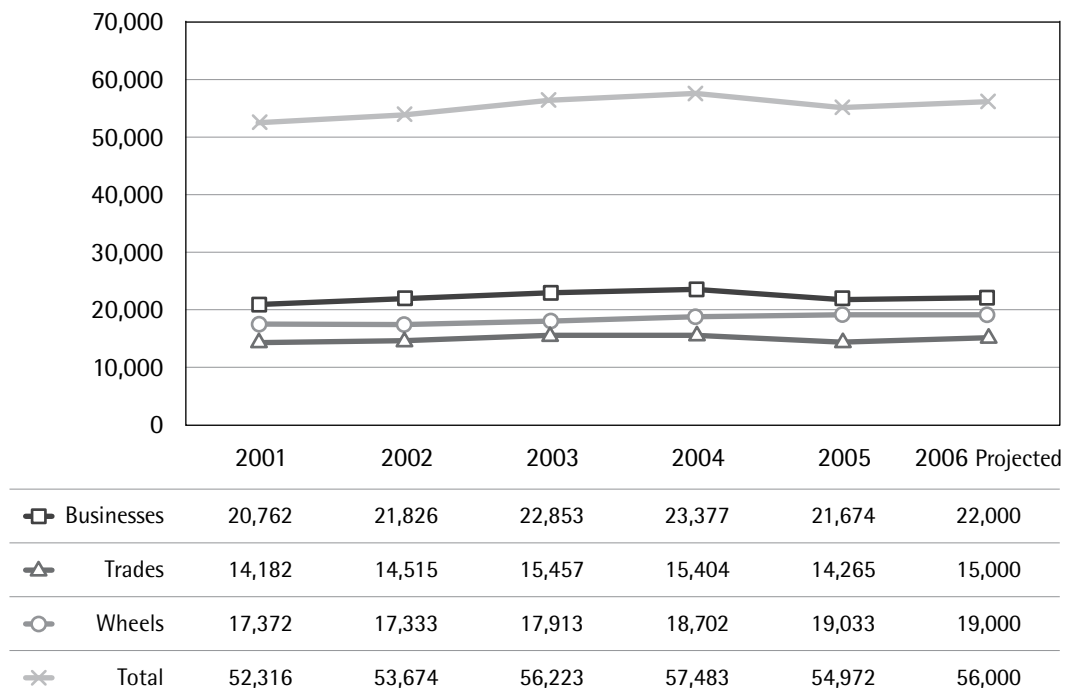
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Office of the Executive Director	1,365	1,365	1,232	1,232	1,461	1,461	229	18.6	229	18.6
Licensing Services	8,791	(13,863)	8,825	(14,674)	9,888	(12,088)	1,063	N/A	2,586	N/A
Investigation Services	17,232	16,984	23,554	22,772	22,289	21,644	(1,265)	(5.4)	(1,128)	(5.0)
Total Program Budget	27,387	4,486	33,610	9,330	33,638	11,017	28	0.1	1,687	18.1

KEY PERFORMANCE MEASURES

Business Licenses Issued

The number of business licenses issues has remained relatively stable during the reported period.

Business Licenses Issued

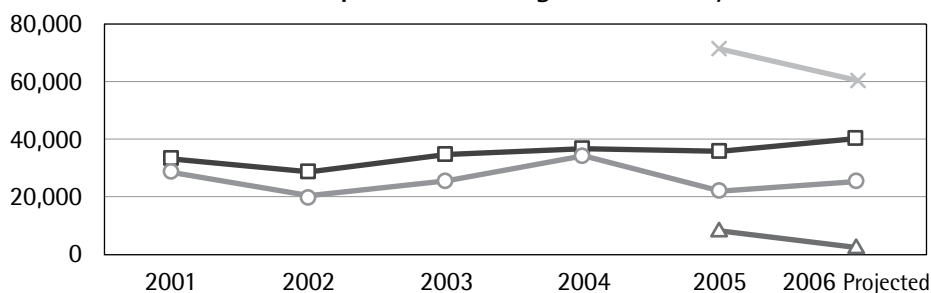


MUNICIPAL & LICENSING STANDARDS

New Inspection/Investigation Files by Year Received

The District Teams are complaint-driven and have experienced a generally upward trend in new cases each year. The Mobile Team is generally a proactive enforcement team. Clean City Team, established in 2005, has changed its reporting from inspections to investigations resulting in a lower number in 2006. For the Waste Team, the reduction in inspections will primarily be attributed to staff vacancies, new staff learning curves and data recording. This data does not include files carried over from previous years.

New Inspection/Investigation Files by Year

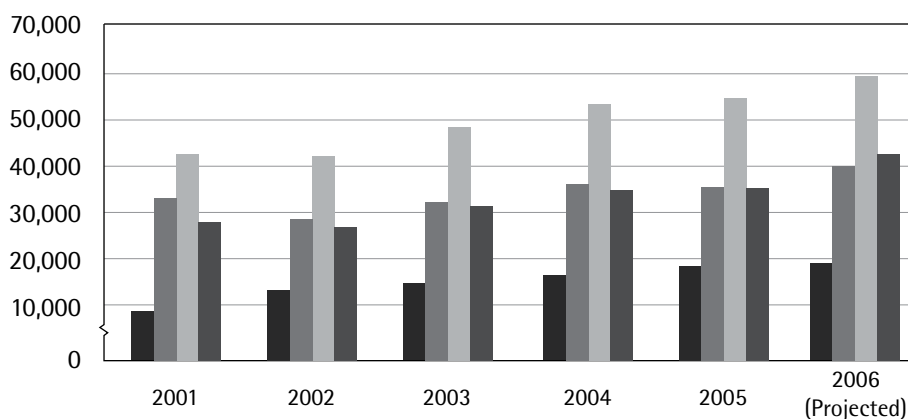


	2001	2002	2003	2004	2005	2006 Projected
□ District Teams	32,823	28,210	34,323	36,282	35,385	40,000
△ Clean City Team					7,900	2,000
○ Mobile Team	28,123	20,010	25,238	33,980	21,506	25,000
✕ Waste Team					70,889	60,000

Carry over, New and Closed Files by Year

District office teams primarily investigate property maintenance complaints. Since 2001, the number of files carried over from one year to the next has steadily increased from 9004 in 2001 to 18,524 in 2006. With the exception of 2002, the number of new files (i.e., complaints) opened has also been on an upward trend.

Carry over, & New Closed Files by Year
District Offices



	2001	2002	2003	2004	2005	2006 (Projected)
■ Carryover Files	9,004	13,375	14,398	16,565	18,343	18,524
■ New Files	32,823	28,210	34,323	36,282	35,385	40,000
■ Total Workload	41,827	41,585	48,721	52,847	53,728	58,524
■ Files Closed	28,452	32,156	32,156	34,204	35,204	42,000

MUNICIPAL & LICENSING STANDARDS

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- Based on preliminary year-end data, ML&S's Licensing Services issued 49,681 new and renewal business licenses in 2006. They also processed 1,738 right-of-way permits for outdoor cafes and vending. ML&S conducted 20,414 vehicle inspections and trained 4,364 licensees holding mobile business licenses. It is anticipated that Licensing Services will experience increased service demands in 2007. A reduction to staff vacancies through an accelerated hiring process will accommodate the anticipated increase in service demands.
- ML&S's Investigation Services projected 40,000 district-based investigations in 2006, along with 2,000 Clean City investigations. They also provided a projected 25,000 Mobile Business Enforcement Team inspections/investigations and 60,000 Waste Enforcement Team inspections. It is expected that service demands for bylaw enforcement will increase in 2007. As is the case for Licensing Services, a reduction to staff vacancies through an accelerated hiring process will accommodate the anticipated increase in service demands.
- focus will also be placed on responding to legislative changes contained in the new City of Toronto Act 2006, developing and implementing communication initiatives to enhance the awareness of Council members, the public and other City divisions and partners of the Division's work, and ensuring 3-1-1 readiness

2008/2009 OPERATING BUDGET OUTLOOK

- to maintain service levels in 2008, impacts of \$1.124 million gross and \$0.695 million net will occur as a result of the 2007 Recommended Budget (The gross increase is attributed to incremental increases to salaries and benefits resulting from Cost of Living Adjustments (COLA), and merit and step increases and an additional working day in the 2008 calendar year. These increases related to business licensing administration and enforcement will be partially offset by the incremental increase to revenues based on the mandated increase to fees in accordance with the City's bylaws.)
- The 2007 Recommended Operating Budget results in 2009 impacts of \$0.540 million gross and \$0.103 million net. The net increase is due to the operating impact of \$0.650 million from the approved Enhanced Computer Technologies Capital project, which has been offset by the loss of a working day in the 2009 calendar year and an incremental increase to revenues based on the projected mandated increase to fees in accordance with the City's bylaws. The outlook for 2009 does not include a provision for COLA, as the increase is subject to future negotiations.

POLICY, PLANNING, FINANCE & ADMINISTRATION

MISSION STATEMENT

Policy, Planning, Finance and Administration (PPF&A) provides value-added, customer-focused business support services to our internal clients to assist them in providing efficient and effective services to residents, businesses and visitors in the City of Toronto. The Toronto Environment Office develops and co-ordinates environmental policies and programs for the City. The division also provides support and advice to the Deputy City Manager (DCM) in the areas of policy development and co-ordination, business planning and performance measurement.

2006 KEY ACCOMPLISHMENTS

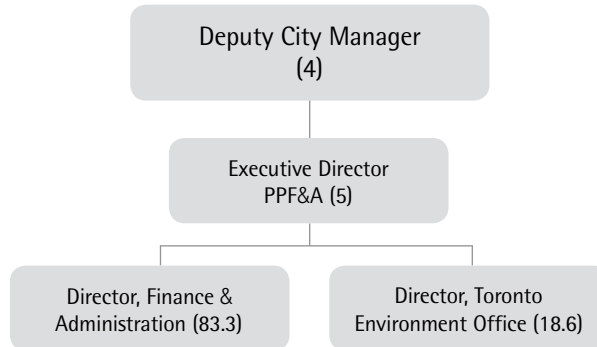
- supported 11 cluster divisions in the areas of financial and administrative services, communications and consultation, information technology and systems, and customer service
- led and co-ordinated activities related to the 2007 Capital and Operating Budget process and submissions for cluster divisions including development, strategy, analysis and presentation
- delivered the Mayor's 2nd Annual Green Toronto Awards
- delivered the inaugural Green Toronto Festival & Energy Challenge
- managed and delivered over 50 recommendations and information requests from the Mayor's Roundtable on the Environment
- co-ordinated and supported the Executive Environment Team including coordination of Renewable Energy, Green Economic Development and Environmental Risk Management working groups

2007 PROGRAM OBJECTIVES

- complete the reorganization of Finance & Administration and the Toronto Environment Office
- create strategic policy and planning capacity for cluster-wide issues
- develop the Integrated Climate Change and Clean Air Action Plan and update the City's Environment Plan
- establish a central point of contact for all corporate environmental initiatives
- develop scorecards and/or dashboards for the DCM, cluster and divisional senior management
- continue the harmonization of policies and procedures across the cluster and create complement management capacity to support the cluster
- provide executive support to the DCM including designing senior management team workshops and sessions, designing and facilitating processes for divisional strategic alignment initiatives and preparing reports on various cluster-wide special projects
- work with Corporate I&T to implement the new IT governance structure for cluster divisions
- work with the 3-1-1 Project Management Office to prepare the Cluster to support the implementation of 3-1-1

POLICY, PLANNING, FINANCE & ADMINISTRATION

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- develop the Integrated Climate Change & Clean Air Action Plan for the city as part of the Mayor's mandate
- implement the new organizational structure for Finance & Administration
- implement the new organizational structure for the Toronto Environment Office
- complete harmonization of policies and procedures across the Cluster
- build capacity to support the DCM's Office on corporate initiatives and strategic issues

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	10,702.2	8,916.3	11,135.9	433.7	4
Materials & Supplies	330.1	231.1	326.7	(3.4)	-1
Equipment	222.2	94.6	124.1	(98.1)	-44
Services & Rents	1,489.9	1,108.3	1,367.1	(122.8)	-8
Contributions & Transfers	518.5	518.5	518.5	0.0	0
Others (Includes IDCs)	457.5	589.0	467.1	9.6	2
Total Gross Expenditures	13,720.4	11,457.8	13,939.4	219.0	2
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	11.1	10.0	10.0	N/A
Reserves/Reserve Funds	1,115.0	469.1	1,324.0	209.0	19
Other (Includes IDRs)	5.1	5.1	5.1	0.0	0
Total Non-tax Revenues	1,120.1	485.3	1,339.1	219.0	20
Net Budget	12,600.3	10,972.5	12,600.3	0.0	0
Approved Positions	121.9	100.8	122.7	0.8	1

POLICY, PLANNING, FINANCE & ADMINISTRATION

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
PPF&A	12,546	11,388	13,720	12,600	13,939	12,600	219	1.6	-	0.0
Total Program Budget	12,546	11,388	13,720	12,600	13,939	12,600	219	1.6	-	0.0

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- Deputy City Manager support: development of Program vision, values and guiding principles for Cluster "B". This includes the provision of overall leadership to the Cluster with strategic focus on service delivery.
- Finance and Administration: financial and administrative support to all divisions and secretariats in Cluster "B". Examples include budget and planning co-ordination, financial services for accounting and purchasing, customer services, revenue services, software application and support and communication and public consultation.
- Toronto Environment Office (TEO): centralized office for enterprise-wide environmental policy co-ordination and development for the City. This section provides the management, co-ordination and integration of environmental initiatives across the City's divisions, agencies, boards and commissions.

2008 / 2009 OPERATING BUDGET OUTLOOK

The primary cost driver for PPF&A is salaries and benefits, which represent approximately 78% or \$10.165 million of gross expenditures in the 2007 Approved Operating Budget. The large proportion of salaries and benefits will put continued pressure on PPF&A to respond to service delivery initiatives and standards while maintaining Council's direction of a \$0 net growth target in future years.

- Future year requirements for the City's environmental policy initiatives are currently being identified.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The prior and current year Asset Preservation projects will be completed by 2006 year-end. The program is successfully addressing state-of-good repair backlog issues for the eleven shared yard facilities. A firm multi-year plan for Asset Preservation is now in place and project priorities have been identified. In addition, major tenants at each yard location have been identified, with the goal of transferring ownership of the capital projects to the respective program area. This is pending a decision on the corporate direction for Facility budget responsibility.

POLICY, PLANNING, FINANCE & ADMINISTRATION

- Most initiatives relating to the Toronto Infrastructure Data Standards project (TIADS) were completed by year-end, with only the data for the Toronto water program to be completed in 2007.
- The Project Tracking Portal project was completed in 2006, with 500 users tracking 3,000 capital projects and development applications.
- A work-plan has been completed for the Harmonized Survey Design and Drafting project. The standardizing of CADD standards and specifications has commenced. Software procurements and staffing training began late in 2006.
- For the Document Management System project, a 10-month pilot project, has begun.
- The first phase of the Computer System Integration project was completed in 2006. The project will integrate the Project Tracking Portal with work order management system, TIADS, operational systems, financial systems and enterprise infrastructure systems.

FIVE-YEAR STRATEGIC OBJECTIVE

Municipal Licensing and Standards (ML&S) Data Management Project

This project will implement computer technologies which will be used to facilitate investigations relating to business licensing, property standards, waste and use of boulevards, as well as licence, permit and exemption issuance. The new database will give ML&S the ability to better manage, and ultimately reduce the current ML&S case backlog.

Asset Preservation Projects

This project addresses the urgent maintenance needs of facilities and replacement of mechanical/electrical equipment at various yard locations throughout the City.

2007 CAPITAL BUDGET HIGHLIGHTS

- The 2007 Approved Capital Budget includes funding for capital investments required to support Policy, Planning, Finance and Administration's (PPF&A) ongoing technology service improvement projects. This includes the Computer System Integration project which involves the integration of the Project Tracking Portal with other business systems to form the main information source for the Corporate 3-1-1 project; the Mainframe Application Replacement project which will integrate 15 legacy computer systems; and the Business Systems Sustainment project which will enable client divisions such as Building and Municipal Licensing and Standards (ML&S) to use remote computing and web-related processing of applications and license renewals.
- The Policy, Planning, Finance and Administration Approved Five-Year Capital Plan supports environmental initiatives which identify potential liabilities at all properties and facilities under the former Works and Environment jurisdiction (approximately 320 sites). Each site is to be screened for potential risks.
- The Program's Approved Five-Year Capital Plan has a level of funding which is sufficient to maintain Policy, Planning, Finance and Administration's 11 works yards in a steady state of good repair, but does not address the \$4.8 million state of good repair backlog.

POLICY, PLANNING, FINANCE & ADMINISTRATION

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following four projects:

- **Computer System Integration (\$5.965 million)**

This project involves the integration of the Project Tracking Portal with work order applications, data warehouse, operational systems, financial information systems and enterprise infrastructure systems. Connectivity between the Project Tracking Portal and other business systems will result in productivity and service improvements by enhancing the ability of project and contract management staff to monitor and control tenders, contracts, projects and specifications. It will also allow the Project Tracking Portal to serve as the main information source for the Corporate 3-1-1 project.

- **Business Systems Sustainment (\$13.865 million)**

Business Systems Sustainment (BSS) is a series of on-going projects that provide support/enhancements for the IBMS project in the following areas: improving the quality of assessment data, enabling remote computing and enabling web-related processing of applications and renewals. As well, this project will involve developing technology advancements across the Cluster which will improve the level of customer service without increasing the workload or the complement of existing staff. An example is interactive voice recognition, which will enable Toronto Building clientele to book inspection requests as well as receive status updates on the results of their inspections through an automatic process.

- **Mainframe Application Replacement (\$3.888 million)**

This project will provide for the conversion of 15 legacy systems.

- **The IT Disaster Recovery Plan is in the last year of a multi-year project (\$.750 million)**

The business objective of this project is to ensure that IT resource investments are protected and risk-mitigated to allow for the timely restoration of information technology and vital business/support functions in the event of system outages/interruptions.

- **Municipal Licensing and Standards System Implementation (\$3.0 million)**

ML&S would like to pursue the implementation of computer technologies which would handle the business areas' investigations relating to business licensing, property standards, waste and use of boulevards, as well as license, permit and exemption issuance. The purpose of the new system is to: accommodate all business rules and requirements related to workload assignment, case management, licensing fees and renewals, document and image management and reports; and provide remote access for enforcement for all distinct business units of ML&S.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved	1,496	55	-	-	-	1,551
Total New Projects	3,951	2,550	-	-	-	6,501
Total PPF&A	5,447	2,605	-	-	-	8,052

POLICY, PLANNING, FINANCE & ADMINISTRATION

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

There is \$.100 million in incremental operating costs in 2007 for the Project Tracking Portal project, which ended its first phase in 2006. Incremental costs of \$.098 million in 2008 are for the Document Management System. The ML&S enhanced computer technologies project will incur costs of \$.650 million starting in 2009. The operating impact is comprised of \$.150 million for software, hardware, licences and annual maintenance as well as \$.500 million for the hiring of five new programming, analysis and training staff. In 2010, there are \$.550 million in incremental costs for the Plan/Drawing Database and in 2011, there are \$.190 million in incremental costs for the Computer System Integration project.

ASSET INVENTORY

Appendix 1

2007 Asset Preservation Capital Budget Asset Infrastructure Inventory/SOGR Analysis

Facility Name	Location	Floor Area (Sq.Ft)	Replacement Value (\$000s)	2007 SOGR Budget (\$000s)	% of Replacement Value
King Street Yard	1116 King Street	75,003	12,813.9	0.0	0.0
Leslie Yard	7 Leslie Street	12,626	501.9	0.0	0.0
Morningside Yard	891 Morningside Avenue	13,223	2,047.2	0.0	0.0
Murray Road Yard	64 Murray Road	40,012	4,898.7	0.0	0.0
Northline Yard	30 Northline Road	39,398	6,045.0	0.0	0.0
Oriole Yard	2740 & 2751 Leslie Street	518,206	81,495.2	472.0	0.6
Toryork Yard	61 Toryork Drive	12,026	420.9	0.0	0.0
Bering Yard	320 Bering Avenue	17,470	3,141.0	0.0	0.0
Castlefield Yard	1401 Castlefield Avenue	48,473	6,252.4	0.0	0.0
Finch Yard	1026 Finch Avenue	105,205	9,659.2	22.0	0.2
Eastern Yard	433 Eastern Avenue	181,388	28,378.0	180.0	0.6
Richmond Yard	505 Richmond Street	88,361	14,137.7	0.0	0.0
Various	Various	-	-	335.0	-
Total		1,138,765	169,289.2	1,009.0	0.6

BACKLOG ANALYSIS

Policy, Planning, Finance and Administration's Approved Five-Year Capital Plan has a level of funding which is sufficient to maintain Policy, Planning, Finance and Administration's 11 works yards in a steady state of good repair but does not address its \$4.8 million in state of good repair backlogs.

SOLID WASTE MANAGEMENT SERVICES

MISSION STATEMENT

The Solid Waste Management Services (SWMS) Division's mission is to provide effective and efficient waste management and resource recovery services to residents, visitors and businesses in the City of Toronto in order to maintain a clean and healthy City and to minimize the impact of waste on the environment.

2006 KEY ACCOMPLISHMENTS

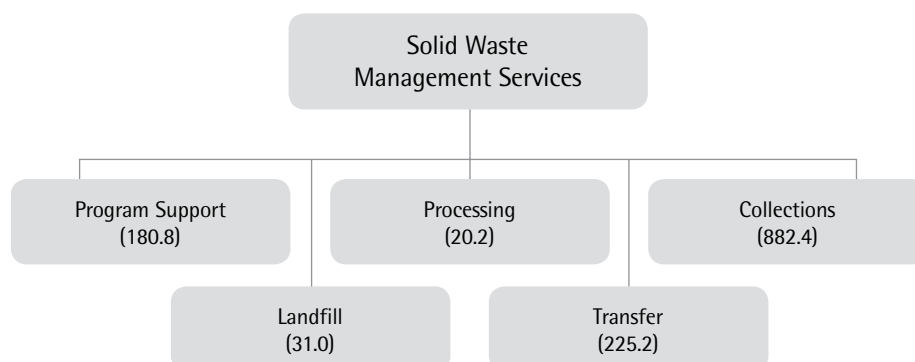
- secured long term Ontario based landfill space (Green Lane)
- initiated EA process and CEAT
- solidified transfer contract for waste disposal
- achieved 42% waste diversion goal in 2006
- achieved a 40% litter reduction target in 2006

2007 PROGRAM OBJECTIVES

- The Solid Waste Management Services mandate includes: the collection of waste/recyclables/organics; the operation of transfer stations; blue box material recovery facilities (MRF); a Source-Separated Organics (SSO) processing facility; and an enhanced Litter Program to support the Clean and Beautiful City initiatives.
- The division also manages several waste diversion programs including source separated organics collection and processing, environment days, backyard composter distribution, recovery of household hazardous waste, and tire and white goods recycling
- The 2007 SWMS Operating Budget focuses on achieving Council approved diversion targets, securing long term processing and residual treatment capacity, undertaking an environmental assessment process, managing closed landfill sites, as well as working towards Council mandates such as Clean & Beautiful City.
- The division also accepts waste from the commercial sector.

PROGRAM MAP

Solid Waste Management Services is comprised of five services, with a total of 1,339.6 approved positions.



SOLID WASTE MANAGEMENT SERVICES

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- achieving Council approved diversion targets
- securing short/long term processing and residual treatment capacity
- managing closed landfill sites
- integration of the Green Lane Landfill
 - > environmental assessment (EA) process
 - > Operating Plan
- complete environmental assessment terms of reference and initiate EA process
- co-ordinate with other agencies, boards, commissions and divisions for activities that support the Mayor's Clean and Beautiful City Program
- liability for Perpetual Care of former closed landfill sites and the adequacy of the Perpetual Care Reserve Fund
- investigate and develop new diversion initiatives and technologies
- litter prevention and reduction strategies

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget \$	%
Salaries & Benefits	90,705.9	87,759.8	92,266.3	1,560.3	2
Materials & Supplies	5,836.8	4,982.5	6,065.6	228.8	4
Equipment	1,808.6	761.5	1,513.3	(295.3)	-16
Services & Rents	103,567.7	106,066.8	109,529.2	5,961.5	6
Contributions & Transfers	13,076.1	12,558.0	13,641.5	565.4	4
Others (Includes IDCs)	13,854.3	14,291.1	14,780.6	926.3	7
Total Gross Expenditures	228,849.4	226,419.7	237,796.3	8,947.0	4
Funded by					
Prov. & Fed. Grants and Subsidies	8,000.0	10,552.5	8,000.0	0.0	0
User Fees	16,172.8	16,325.1	14,608.1	(1,548.1)	-10
Reserves/Reserve Funds	2,594.4	2,017.7	3,488.4	893.9	34
Other (Includes IDR's)	31,155.8	29,142.6	28,158.4	(3,014.0)	-10
Total Non-tax Revenues	57,923.0	58,037.8	54,254.9	(3,668.1)	-6
Net Budget	170,926.3	168,381.9	183,541.4	12,615.1	7
Approved Positions	1,366.1	1,366.1	1,339.6	(26.5)	-2

SOLID WASTE MANAGEMENT SERVICES

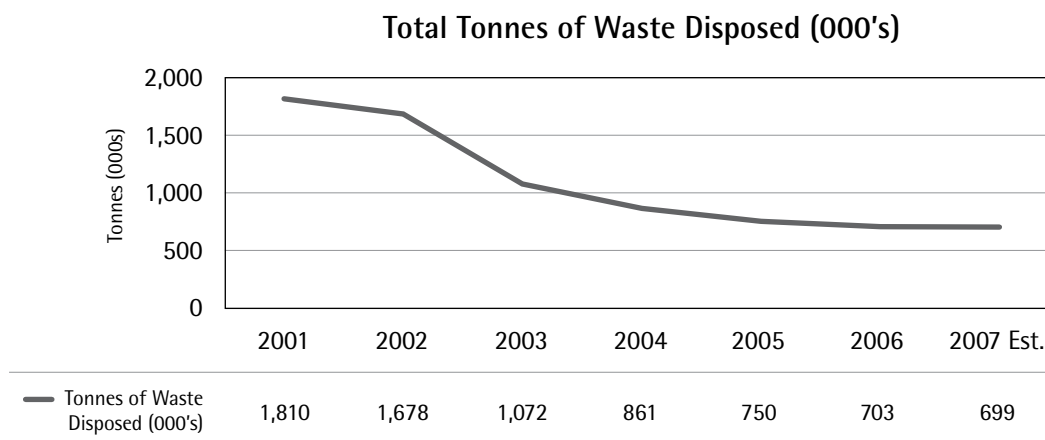
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Program Support	33,215	18,294	33,329	17,527	33,828	17,596	499	1.5	69	0.4
Collection	90,331	86,964	90,415	87,235	93,904	90,660	3,489	3.9	3,425	3.9
Transfer	23,808	7,801	24,221	12,493	23,674	12,983	(547)	(2.3)	489	3.9
Processing	28,207	8,126	33,836	9,096	38,425	16,771	4,589	13.6	7,675	84.4
Disposal	49,658	44,104	47,048	44,575	47,965	45,531	917	1.9	956	2.1
Total Program Budget	225,219	165,288	228,849	170,926	237,796	183,541	8,947	3.9	12,615	7.4

KEY PERFORMANCE MEASURES

Tonnes of Waste Disposed

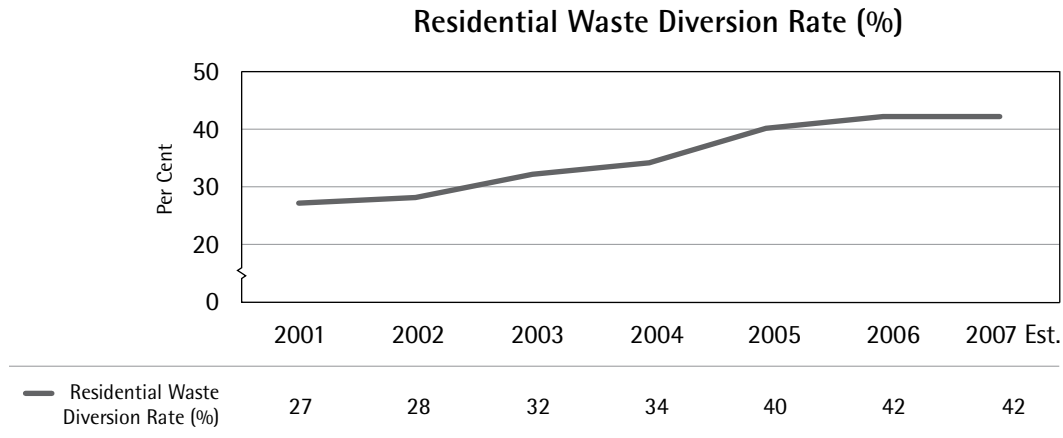
Total Waste Disposed tonnage is decreasing as a result of the closure of the Keele Valley landfill site in 2002. In 2003, the City of Toronto no longer received waste from York Region, Durham Region and the private sector that was previously received at the Keele Valley Landfill. Implementation of various initiatives towards higher diversion (e.g. three stream collection system) is also contributing to the continued decrease.



SOLID WASTE MANAGEMENT SERVICES

Residential Waste Diverted (%)

The residential diversion rate is currently projected to remain at 42 percent in 2007, but is forecasted to increase to the targeted level of 70% by 2010, through the introduction of various new diversion initiatives including expanded recycling, source separated organics for apartment buildings, townhouse curbside pickup, and new reuse centres.



2007 OPERATING BUDGET HIGHLIGHTS

In 2007, Solid Waste Management Services plans to maintain its 2006 service levels and:

- improve on the current residential diversion rate of 42%
- divert 363,000 tonnes of residential waste
- dispose of 699,000 tonnes of residential, institutional, commercial and industrial waste
- develop new diversion initiatives
- secure short/long term processing capacity for diverted material
- complete environmental assessment terms of reference, and initiate the Environmental Assessment process for residual waste treatment facilities
- continue the perpetual care of former closed landfill sites

2008/2009 OPERATING BUDGET OUTLOOK

- continue/start with waste diversion initiatives identified in the Solid Waste Management Services Multi-Year Business Plan
- explore innovative funding mechanisms to support future waste diversion initiatives
- roll-out new recycling carts in single residential homes
- implement the Green Bin Program in multi-unit residences
- undertake an environmental assessment for residual waste

SOLID WASTE MANAGEMENT SERVICES

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- secured long-term Ontario based landfill space (Green Lane)
- initiated environmental assessment process and Community Environmental Assessment Team for the Residual Waste Management project
- Additional Source Separated Organic (SSO) Processing Capacity Project was delayed into 2007, pending Council approval of a final SSO preferred option.

FIVE-YEAR STRATEGIC OBJECTIVE

The Solid Waste Management Services Multi-Year Business Plan was approved by Council and the Works Committee in June 2005. The Business Plan provides a long-term overview of the actions and decisions that will be required to meet Toronto's waste diversion goals and to secure dependable long-term management of residual solid waste over the next decade.

The previous Council made diversion of solid waste a priority and set a target of achieving 60% diversion by 2008. The 2007 to 2011 Capital Plan has been prepared towards continuing to achieve a 60% diversion goal. However, given various factors including funding constraints and prerequisite approvals, the planned target date was 2012.

More recently, the Mayor's Mandate has set a more aggressive target of 70% diversion by the year 2010. This would require an acceleration of the projects in the current Capital Program, and the addition of projects which have been excluded in order to meet debt affordability guidelines.

A long-term plan to exit Michigan landfill by 2010 is detailed in the Council approved 2005 Multi-Year Solid Waste Management Services Business Plan. The plan identifies over 20 individual waste diversion initiatives that when combined, will allow the City to achieve its diversion goals. The plan is currently being modified to examine the necessary steps and Capital/Operating Budget implications to achieve 70% diversion by 2010, and to reflect the proposed purchase of the Green Lane Landfill. For most alternatives, costs rise as waste is diverted from landfill.

The Acting General Manager responsible for Solid Waste Management Services will be reporting back prior to the start of the 2008 budget process on the changes required to the 2007 to 2011 Capital Plan to achieve the 70% diversion target by the year 2010, and address the implementation challenges with the 10-Year Capital Program with respect to timelines, site locations, environmental assessments and readiness to proceed for facilities related projects. This will include reporting back on innovative funding options for additional cost of the diversion initiatives.

SOLID WASTE MANAGEMENT SERVICES

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Capital Budget, excluding the Green Lane Landfill and carry forward of 2006 funding into 2007, totals \$26.190 million and provides funding for four major projects:

- diversion facilities (\$11.637 million) that includes funding to begin the introduction of larger recycling containers to single home residents, reuse centres, and additional Source Separated Organics (SSO) processing capacity
- Perpetual Care of Landfills (\$6.585 million) for maintenance of old landfills
- Transfer Stations Asset Management (\$3.864 million)
- Residential Collection (\$4.104 million) that includes funding for curbside collection of waste and recyclables in townhouse developments

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The 2007-2011 Capital Plan, excluding the Green Lane Landfill and the carry forward of 2006 funding into 2007, totals \$150.626 million and provides funding for four major projects:

Diversion Facilities

This project encompasses the design and construction of additional Source Separated Organics (SSO) processing capacity, four reuse centres, container line upgrade, new recycling containers, SSO multiunit residential containers, and environmental assessment for residual waste management facilities. These initiatives are necessary to increase diversion of the municipal and industrial, commercial institutional (ICI) waste stream currently managed by the City of Toronto. The total cost over five years is \$83.422 million, excluding the 2006 carry-forward funding.

Perpetual Care of Landfills

This project encompasses a variety of sub-projects considered necessary for the ongoing maintenance of closed environmentally sound landfill sites after primary operations have ended. These include: monitoring, consulting and possible remedial measures related to surface water, ground water, landfill gas and ambient air; maintenance of leachate and gas control systems; and correction of soil erosion/settlement on slopes and the repair of roadways. This project includes the old landfills under the jurisdiction of the former area municipalities. The total cost over five years is \$37.742 million, excluding carry forwards. This project is funded from the Perpetual Care of Landfill Reserve Fund.

Transfer Stations Asset Management

This project includes miscellaneous operational improvements that are required to meet safety, health, operational and environmental requirements such as the Gas Handling Act and Ministry of Environment (MOE) standards. They include: preservation of infrastructure, additional facilities to enhance services, energy conservation measures, reduction of off-site impacts, and improvements to operating efficiency. The total cost over five years is \$20.758 million.

SOLID WASTE MANAGEMENT SERVICES

Residential Collection

This project includes several activities which have a total cost of \$8.704 million over five years:

- a. Multi-Unit Residential Container Replacement Program and the purchase of containers used for garbage and recycling collection in multi-unit residential buildings
- b. renovation and upgrades to collection yards
- c. townhouse collection for door-to-door collection of waste and recyclables in townhouse developments.
- d. SSO co-collection vehicle for use in Districts 3 and 4

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Perpetual Care of Landfills	6,230	-	-	-	-	6,230
Diversion Facilities	6,092	1,000	1,000	2,500	18,214	28,806
Residential Collection	207	-	-	-	-	207
Transfer Station Asset Management	3,569	-	-	-	-	3,569
Clean & Beautiful City	565	-	-	-	-	565
Total Previously Approved	16,663	1,000	1,000	2,500	18,214	39,377
New Projects						
Perpetual Care of Landfills	355	-	-	-	-	355
Diversion Facilities	9,500	21,295	-	-	-	30,795
Residential Collection	4,104	-	-	-	-	4,104
Transfer Station Asset Management	3,864	250	263	-	-	4,377
Clean & Beautiful City	-	-	-	-	-	-
Total New Projects	17,823	21,545	263	0	0	39,631
Total Solid Waste Management	34,486	22,545	1,263	2,500	18,214	79,008

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is mainly associated with:

- operation of multi-unit source separated organics (\$6.280 million) beginning in 2008 through to 2011
- operation of reuse centres (\$2.986 million) beginning in 2008 to 2011
- door-to-door residential townhouse collection (\$0.828 million) beginning in late 2007
- debt service costs

SOLID WASTE MANAGEMENT SERVICES

ASSET INVENTORY

- 7 transfer stations
- 2 material recovery facilities (MRFs)
- 1 source separated organics processing facility
- 7 collection yards and 1 litter collection yard
- 161 former landfills
- 6 household hazardous waste depots

BACKLOG ANALYSIS

Solid Waste Management Services does not have a significant backlog of State of Good Repair projects.

TECHNICAL SERVICES

MISSION STATEMENT

Technical Services is committed to providing professional planning and project management services in the area of municipal engineering to ensure sustainable infrastructure and a safe and healthy environment for the people of Toronto.

2006 KEY ACCOMPLISHMENTS

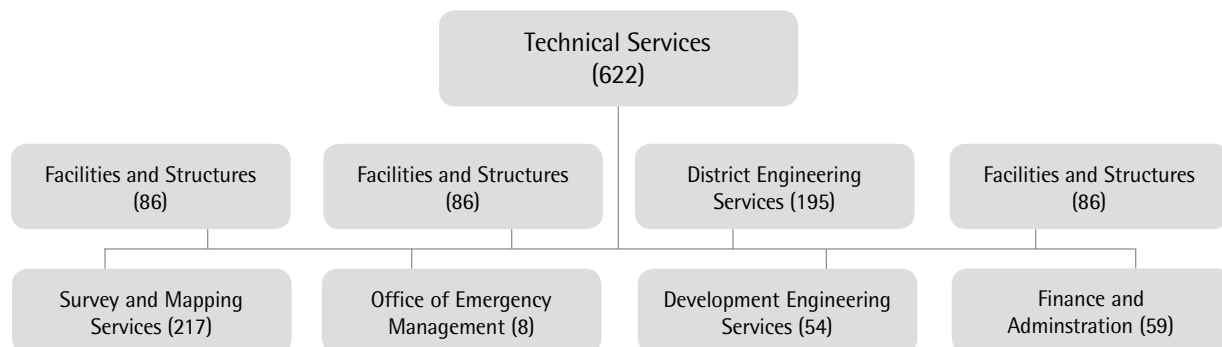
- maintained delivery of Capital Works Program at 72% despite increased workloads
- earlier completion of designs and more tenders out earlier leading to better prices, and improved delivery
- implemented new fee structure to recover the engineering review and inspection costs on development related infrastructure
- co-ordinated and delivered training as mandated by the Emergency Management Plan

2007 PROGRAM OBJECTIVES

- provide professional design, planning and project management services in the delivery of the City's Capital Works Program
- establish a financing mechanism for Development Engineering for full cost recovery of development review
- improve overall co-ordination of Capital Works Program and increase overall completion rate
- improve management oversight of construction contracts including improved internal control and quality assurance
- strengthen enterprise-wide Emergency Management co-ordination across all City programs

PROGRAM MAP

The Technical Services Program is comprised of six major services with a total of 622 approved positions.



TECHNICAL SERVICES

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- provide professional design, planning and project management services in the delivery of the City's Capital Works Program
- establish a financing mechanism for Development Engineering for full cost recovery of development review
- improve overall co-ordination of Capital Works Program and increase overall completion rate
- improve management oversight of construction contracts including improved internal control and quality assurance
- strengthening enterprise-wide Emergency Management co-ordination across all City programs

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	50,958.1	47,724.1	54,123.7	3,165.6	6
Materials & Supplies	976.7	715.7	956.1	(20.6)	-2
Equipment	1,558.8	966.5	1,848.1	289.3	19
Services & Rents	2,911.8	1,827.3	3,078.9	167.1	6
Contributions & Transfers	525.7	546.6	836.1	310.4	59
Others (Includes IDCs)	1,531.4	1,515.1	1,653.2	121.8	8
Total Gross Expenditures	58,462.5	53,295.3	62,496.1	4,033.6	7
Funded by					
Prov. & Fed. Grants and Subsidies	29,921.4	24,703.9	15,250.5	(11,670.9)	-43
User Fees	2,844.4	1,907.1	3,246.1	401.7	14
Transfer from Capital Funds	23,577.0	21,268.9	38,309.8	14,732.8	62
Reserves/Reserve Funds	642.9	0.0	0.0	(642.9)	-100
Other (Includes IDRs)	2,041.7	2,241.3	2,583.5	541.8	27
Total Non-tax Revenues	56,027.4	50,121.2	59,389.9	3,362.5	6
Net Budget	2,435.1	3,174.1	3,106.2	671.1	28
Approved Positions	619.8	580.1	622.8	3.0	0

TECHNICAL SERVICES

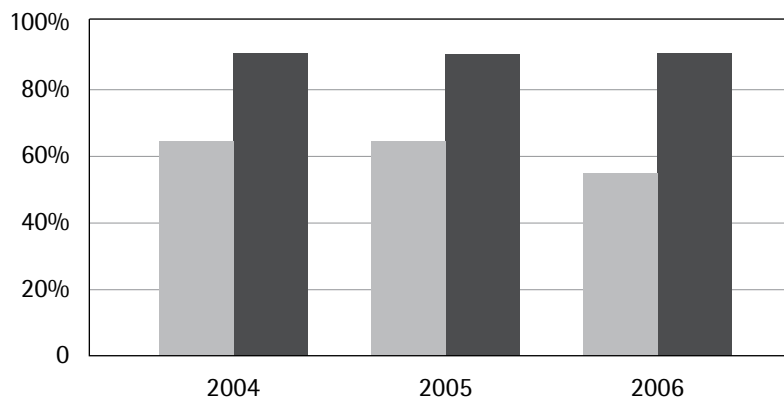
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Facilities & Structures	7,228	5,642	8,777	8,031	9,148	1,455	371	4.2	(6,576)	(81.9)
Survey & Mapping	16,397	6,780	17,765	6,720	19,508	4,523	1,743	9.8	(2,197)	(32.7)
Development Engineering Services	4,911	3,871	5,525	3,361	5,671	3,438	146	2.6	78	2.3
Office of Emergency Managment	15,170	7,909	18,361	3,839	19,869	3,555	1,509	8.2	(284)	(7.4)
Program Administration	1,844	985	2,286	1,633	2,097	1,867	(189)	(8.3)	233	14.3
Finance & Adminstration	309	113	1,164	1,164	1,061	530	(104)	(8.9)	(634)	(54.5)
Interdivisional Changes	57	57	4,585	4,585	5,143	2,961	558	12.2	(1,624)	(35.4)
Other	3,562	(22,293)	-	(26,898)	-	(15,222)	-	N/A	11,676	(43.4)
Total Program Budget	49,477	3,063	58,463	2,435	62,496	3,106	4,033	6.9	671	27.6

KEY PERFORMANCE MEASURES

Rate of Compliance with STAR Timeframes (%)

Rate of compliance with STAR timeframes established by Council for development application review.

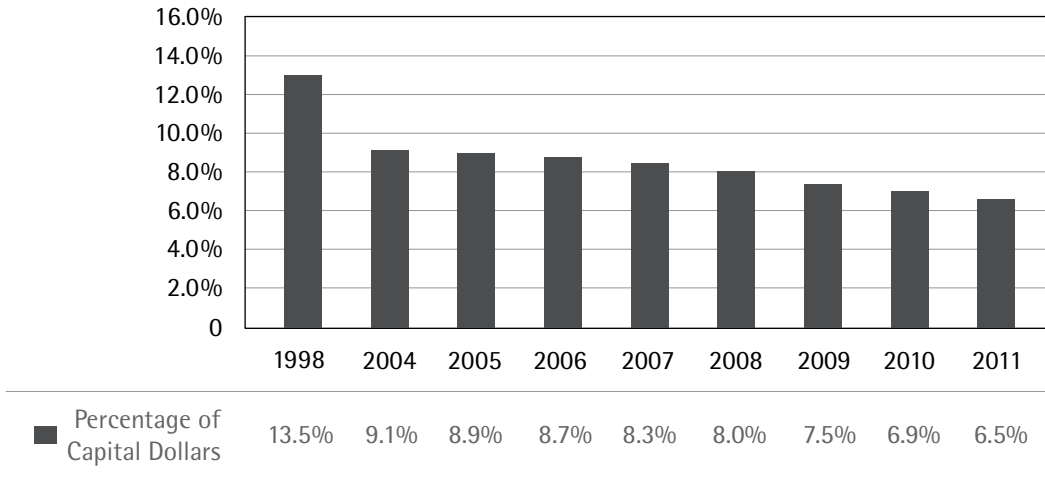


■ Actual Compliance Rate	65%	65%	57%
■ Budget Compliance Rate	90%	90%	90%

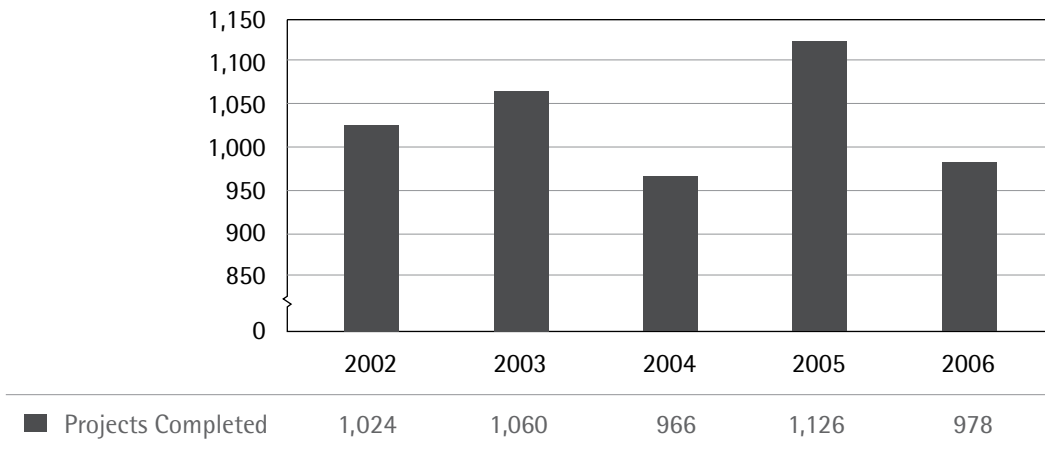
TECHNICAL SERVICES

Staff Cost As Percentage of Capital Dollars Spent

Trend assumes higher levels of expenditure and current staffing.



Number of Projects Completed – Actuals:



TECHNICAL SERVICES

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- professional design, planning and project management services in the delivery of the City's capital works program
- a financing mechanism for Development Engineering to ensure full cost recovery of the development review process.
- improved co-ordination of the City's capital works program to increase completion rates of client programs
- improved management oversight of construction contracts including improved internal control and quality assurance
- strengthened emergency management co-ordination across all City programs
- improved compliance rate for established STAR time frames

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 and 2009 Outlook provides funding which will advance the strategic initiatives outlined above at the 2006 service levels.

TORONTO BUILDING

MISSION STATEMENT

Toronto Building guides and supports the construction and rehabilitation of all buildings to ensure structurally sound design, suitability for occupancy, accessibility and public safety, as well as reviewing projects for compliance with other legally mandated objectives. The program provides advice and makes assessment through the issuance of Building Permits and on-site inspections of construction to ensure compliance with all applicable law.

2006 KEY ACCOMPLISHMENTS

Activities	Volumes
Building Permits Issued	33,176 / \$3.74B (Construction Value)
Building Inspections Conducted	162,000
Development Approval Application Processed	4,328

PROGRAM EFFICIENCY

- implemented new programs that improved processing of permit applications and service to the public resulting in 80 per cent of applications being reviewed within the legislated time frame

Technology

- completed Phase I of the Remote Computing Pilot Program
- completed Phase I of the TelePermit IVR program
- launched web based Applications Status public information utility

Resources

- completed mandatory qualification under Building Code Act
- initiated preparation on the new Building Code Regulations in the Objective Based Format

Initiatives

- completed Building Vibration Studies leading to bylaw recommendations

TORONTO BUILDING

2007 PROGRAM OBJECTIVES

The program will guide, support and monitor building construction, renovation and demolition to ensure the health, safety and accessibility through their compliance with provisions of the Building Code Act, Building Regulations and all other applicable law.

- Toronto Building will continue to enhance the quality of life for all residents in the City of Toronto including businesses and visitors by delivering quality services designed to maintain high levels of public safety, community integrity, consumer protection, and responsible business activities.

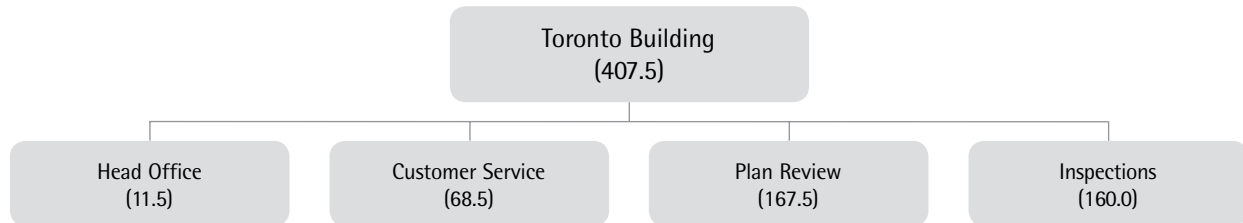
Other key objectives in 2007 are to:

- **respond to legislative changes, notably:**
 - > City of Toronto Act (COTA)
 - > Building Code Act, 2006 Amendments, Brownfields Statute Law Amendment Act
 - > Clean Water Act, Planning Act, Environmental Protection Act, and Heritage Act
- **enhance the organizational infrastructure through:**
 - > Business Systems upgrades
 - > Staff Training and Qualification
- **provide leadership in Building Regulations by:**
 - > developing standards for Green Roof construction to implement new COTA authority
 - > providing leadership in Green Building standards affecting construction in Toronto
 - > influencing building regulations to achieve City objectives
- **enhance services to the public by:**
 - > meeting legislated performance requirements
 - > improving customer service
 - > continuously improving the development review applications process
 - > participating in program review for Integration of Inspection, Investigation and Enforcement
 - > contributing toward harmonization of the Site Plan, Condominium and Subdivision Agreement processes city-wide
 - > transferring responsibilities for Plan Review and Inspections services in new construction from Fire Services
- **advance the planning process through:**
 - > provision of one-window service where feasible
 - > implementation of new Road Damage Deposit payment procedure in conjunction with building permits payments
 - > provision of support and resources to the new Zoning Bylaw project team
 - > continuous provision of resources for the Harmonized Sign Bylaw

TORONTO BUILDING

PROGRAM MAP

Toronto Building is comprised of one service, with a total staffing complement of 407.5 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

A Clean and Beautiful City

- Toronto Building will continue to support architectural excellence in Toronto by ensuring that, where applicable, city building projects, as well as those done by the private sector, have been subjected to review by the new Toronto Design Review Panel.

Environmental Sustainability

- The 2007 Approved Operating Budget includes a one hundred thousand dollar funding for policy studies in areas such as Green Roof Technologies.

Make Housing Affordable

- Toronto Building will support the City's plans to create 1,000 units of affordable housing each year for the next four years on the Railway Lands, the West Don Lands, and redevelopment existing locations. This will be achieved through provision of innovative technical advice and other expert resources within the division when needed.

TORONTO BUILDING

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	34,505.6	32,058.3	35,192.6	687.0	2
Materials & Supplies	352.5	193.9	305.0	(47.5)	-13
Equipment	356.7	192.0	416.7	60.0	17
Services & Rents	1,234.9	1,377.3	1,357.9	123.0	10
Contributions & Transfers	2,100.0	2,100.0	2,100.0	0.0	0
Others (Includes IDCs)	303.9	289.2	327.3	23.4	8
Total Gross Expenditures	38,853.6	36,210.7	39,699.5	845.9	2
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	58,822.7	47,935.6	51,668.7	846.0	2
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	3.9	0.0	0.0	N/A
Total Non-tax Revenues	50,822.7	47,939.5	51,668.7	846.0	2
Net Budget	(11,969.1)	(11,728.8)	(11,969.2)	(0.1)	0

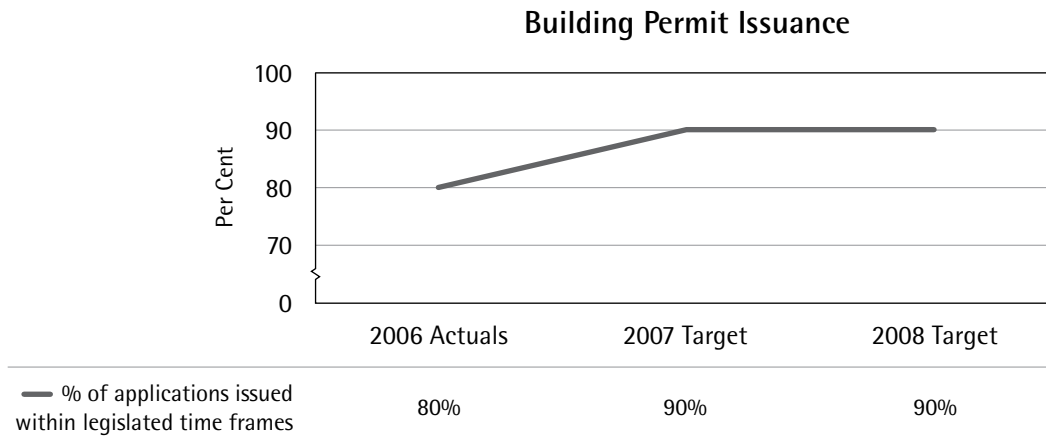
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Toronto Building	36,665	(11,607)	38,854	(11,969)	39,700	(11,969)	846	2.2	-	0.0
Total Program Budget	36,665	(11,607)	38,854	(11,969)	39,700	(11,969)	846	2.2	-	0.0

TORONTO BUILDING

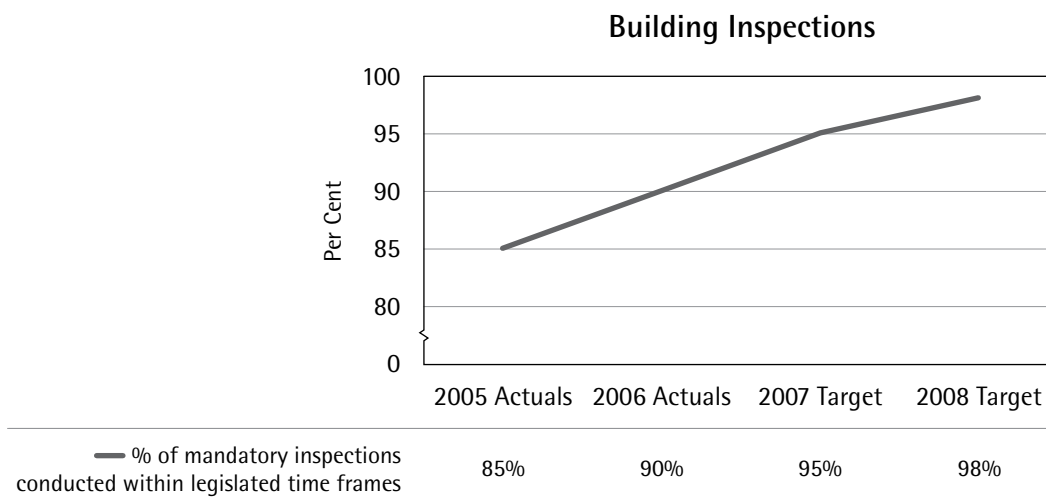
KEY PERFORMANCE MEASURES

The performance targets below are for permit turn around times (Building Permit Issuance), inspection response measures (Building Inspections) and complaint response performance (Complaint Investigations).



The above measure indicates the percentage of complete applications for all types of buildings that are reviewed for compliance with the building code and all applicable law within the legislated time frames. Time frames: small residential (houses): 10 days; residential high rise: 20 days; mixed residential projects: 20 days; and other Part 3 projects of a more complex nature: 30 days.

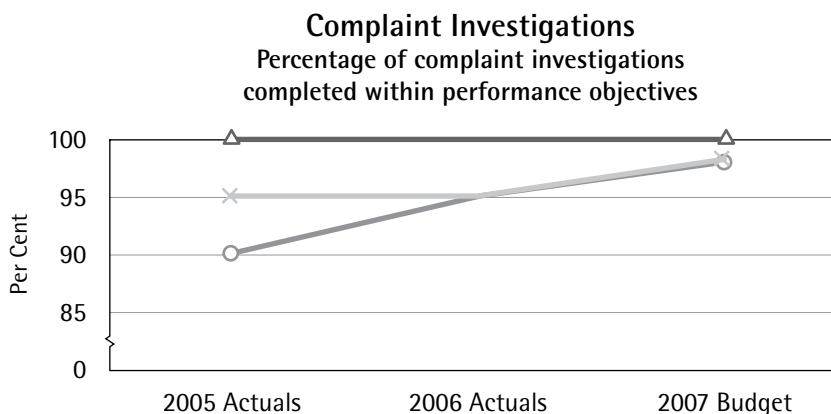
Starting January 2006 all complete applications for building permit are to meet these time frames. Actual percentage of applications issued within legislated timeframes in 2006 was 80 per cent; a 10 per cent improvement is anticipated in 2007.



TORONTO BUILDING

This second measure indicates the percentage of requested mandatory inspections that are completed within two days of receiving the request for inspection. The building code requires that an inspection be conducted within the time frame specified and if not conducted the construction is permitted to proceed.

In 2005, actual percentage of requested mandatory inspections was 85 per cent and 90 per cent in 2006. The target for 2007 is 95 per cent.



▲	Emergency: < 1 day	100%	100%	100%
○	Work W/O permit: 2 days	90%	95%	98%
×	Zoning and other: 5 days	95%	95%	98%

The third measure indicates that employees have consistently responded to emergency calls in less than one day and continue to provide after hours emergency response on a 24/7 basis. The measure also indicates that employees have improved their response time to address complaints over the past few years. Additional staff resources approved in the 2005 budget will enable the division to meet performance objectives in 2007.

The Ontario Municipal CAOs Benchmarking Initiative (OMBI) measures currently under development for Building include the following:

- Four in the service level measure category: (Core Framework Measures)
 - > number of building permits issued per 100,000 population
 - > new residential units created per 100,000 population
 - > percentage of construction value of issued ICI (Industrial Commercial Institutional)
 - > building permits of the total construction value of issued building permits
 - > construction value of building permits issued per 100,000 population
- One efficiency measure category: cost per building permit issued.

TORONTO BUILDING

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- The 2007 Approved Operating Budget for Toronto Building of (\$11.969) million net will provide funding to: improve the Planning Process, meet legislative time frames for Bill 124, respond to other legislative changes and enhance the organizational infrastructure and service to the public.
- implementation of a new Objective Based Code process as per the 2006 Edition of the Building Code Act
- increased capacity to meet legislated performance standards for permit reviews through adequate staffing levels, service efficiencies and technology
- continued development and implementation of a one-window service delivery approach for all development related fee payments in each district
- integration of initiatives that affect Toronto Building such as the 3-1-1 Initiative
- achievement of 100% response rate for all Freedom of Information (FOI) requests for building information and property records
- increase Health and Safety training and awareness to support achievement of zero accidents in the workplace goal

2008/2009 OPERATING BUDGET OUTLOOK

- The program will review revenue volumes in order to maintain the 2007 levels of service. These adjustments are expected to create net revenue impact of (\$0.570) million in 2008 and (\$1.201) million in 2009.
- The 2008 and 2009 expenditure outlook includes funding in the base budget which advance priorities set out in the Mayor's mandate for environmental sustainability, a clean and beautiful city and making housing affordable.
- The program is projecting expenditure increases in salaries in 2008 and 2009 from new staff positions as it strives to provide a competitive market environment in order to fill existing vacant positions.

TRANSPORTATION SERVICES

MISSION STATEMENT

The Transportation Services Division's mission is to safely, efficiently and effectively serve the mobility needs of the City in harmony with its neighbourhoods and the environment. Transportation Services is responsible for all aspects of traffic operations, roadway regulation, street maintenance and cleaning, transportation infrastructure management, road, sidewalk and boulevard occupation and snow removal. We strive to maintain all transportation infrastructure including roads, bridges, sidewalks and boulevards within the four geographical city districts in a state of good repair with regard to public safety and efficient movement.

2006 KEY ACCOMPLISHMENTS

- put in service 14 new regenerative-air street sweepers in conjunction with the Clean Roads to Clean Air Initiative
- completed public and stakeholder consultation and issuance of Request for proposals (RFP) for the Coordinated Street Furniture Program
- consolidated front yard parking policies and bylaw, vetted through extensive public consultation and enacted by City Council
- significant contribution to Clean and Beautiful City objectives through street cleaning and second phase of the 'orphan space' program

2007 PROGRAM OBJECTIVES

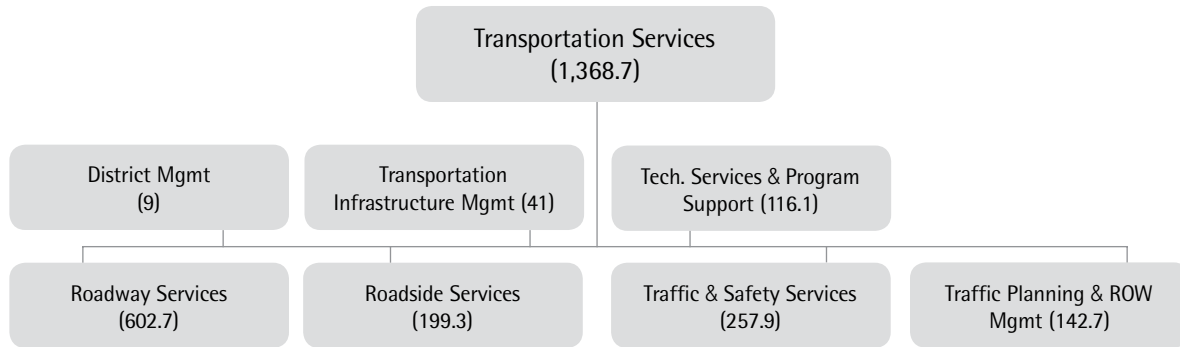
The 2007 Operating Budget assumes that roadway, roadside and traffic services will be maintained at last year's levels except for the following important needs:

- expand the maintenance of orphaned landscaped areas and manual weed control based on the phasing of services recommended in 2005
- continue harmonizing street cleaning and flushing City-wide
- allocating additional resources for enforcement of parking related infractions
- greater priority in directing resources to accommodate the movement of pedestrians (Pedestrian Plan/Walk 21 Conference) and cyclists (Bike Plan)
- continued support for the phased expansion of the Red Light Camera Program
- provision of resources to manage the City's new Road Damage Policy
- greater emphasis on accommodating the use of public transit on the City's roadways

TRANSPORTATION SERVICES

PROGRAM MAP

Transportation Services is comprised of seven services, with a total staffing complement of 1,368.7 approved positions



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- Efforts will be directed toward sustaining maintenance of the City's roads and infrastructures, including improving the aesthetics of the road system, in particular the cleanup of landscaped areas adjacent to roadways and the harmonization of street furniture.
- The physical condition of the visible traffic plant such as signal heads, poles, pavement markings and signs will also be highlighted as part of our overall initiative to be more aware of the contextual nature of our responsibilities.
- Enhanced support will be directed to implement more cycling infrastructure and pedestrian projects.

TRANSPORTATION SERVICES

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	92,628.6	91,469.5	96,543.7	3,915.1	4
Materials & Supplies	25,408.5	10,704.4	15,379.6	(10,028.9)	-39
Equipment	1,023.8	724.2	964.1	(59.7)	-6
Services & Rents	126,077.0	99,029.2	119,874.9	(6,202.1)	-5
Contributions & Transfers	14,341.4	14,904.7	14,409.4	68.0	0
Others (Includes IDCs)	26,299.5	26,588.3	27,010.0	710.5	3
Total Gross Expenditures	285,778.8	243,420.3	274,181.7	(11,597.1)	-4
Funded by					
Prov. & Fed. Grants and Subsidies	-	-	-	0.0	N/A
User Fees	39,175.7	38,809.0	30,877.4	(8,298.3)	-21
Reserves/Reserve Funds	-	-	-	0.0	N/A
Other (Includes IDRs)	58,696.1	41,752.8	59,212.2	516.0	1
Total Non-tax Revenues	97,871.8	80,561.8	91,089.6	(7,782.2)	-8
Net Budget	187,907.0	162,858.5	184,092.1	(3,814.9)	-2
Approved Positions	1,376.3	1,366.3	1,368.7	(7.6)	-1

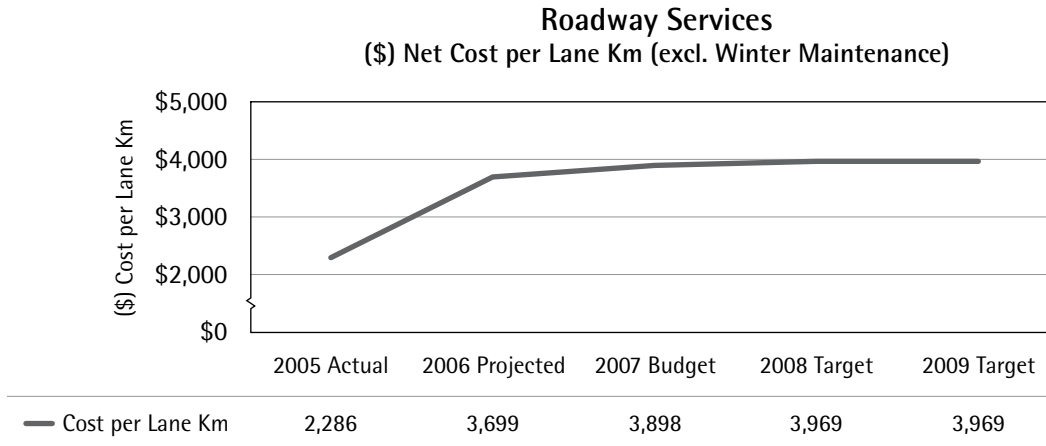
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Roadway Services	124,923	88,656	128,511	91,443	128,196	93,729	(314)	(0.2)	2,285	2.5
Roadside Services	55,684	23,744	57,350	23,633	52,117	26,133	(5,233)	(9.1)	2,499	10.6
Traffic Planning ROW Mgmt	12,141	(4,342)	11,220	(6,337)	11,895	(5,677)	675	N/A	660	N/A
Traffic & Safety Service	54,041	49,150	49,557	45,332	41,756	37,725	(7,801)	(15.7)	(7,607)	(16.8)
Infrastructure Mgmt	14,840	12,531	15,368	12,962	16,163	13,029	795	5.2	66	0.5
District Mgmt & Overhead	1,216	(1,516)	1,263	(1,637)	1,229	(1,671)	(34)	(2.7)	(34)	2.1
Technical & Program Support	21,218	21,184	22,510	22,510	22,825	20,825	315	1.4	(1,685)	(7.5)
Total Program Budget	284,062	189,407	285,779	187,907	274,182	184,092	(11,597)	(4.1)	(3,815)	(2.0)

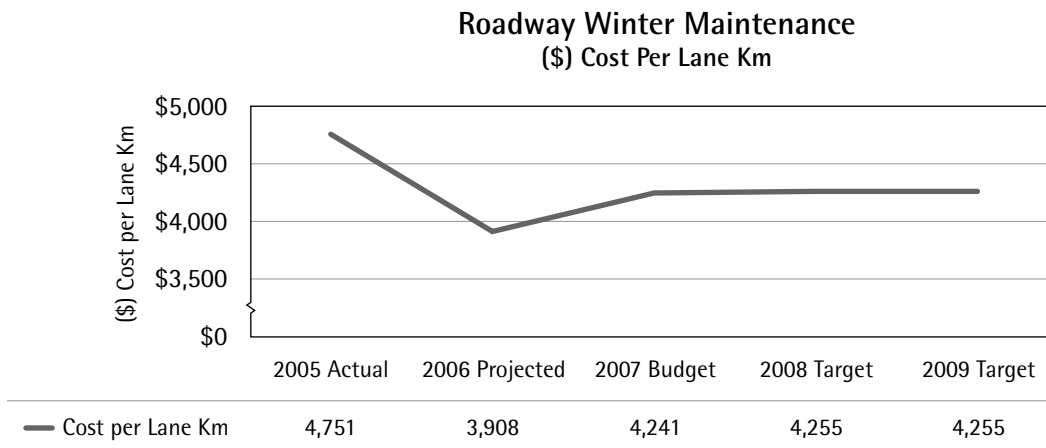
TRANSPORTATION SERVICES

KEY PERFORMANCE MEASURES

Efficiency Measure



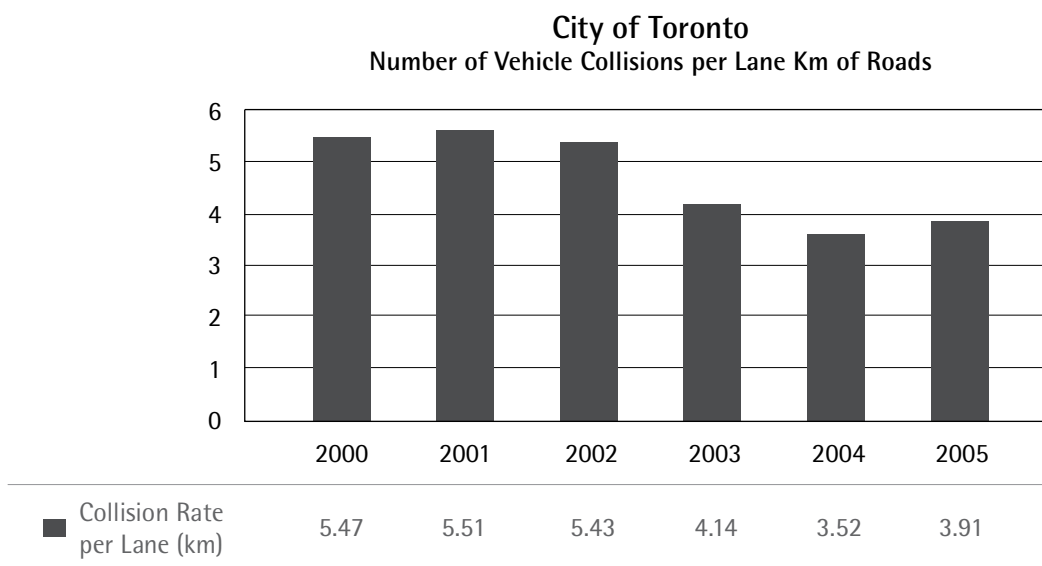
The 2007 budget level reflects increases in operating costs due to economic factor adjustments affecting salaries, materials and contracted services. The 2005 actual is lower than normal historical levels due to labour disruption and storm events.



The 2007 budget level reflects increases in operating costs due to economic factor adjustments affecting salaries, materials and contracted services. The 2006 projected represents lower than normal contracted winter maintenance costs due to favourable winter conditions and fewer major storm events during the year.

TRANSPORTATION SERVICES

Community Impact Measure



One of the major objectives of a road network is that they are safe. Chart 4 illustrates the rate of vehicle collisions in Toronto per lane kilometre of road, from 2000 through 2005. Results for 2004 and 2005 have removed collisions on private property, but information was not available to remove similar figures from 2003 and prior years although it is estimated these would account for approximately 0.3 per lane km. Results indicate that there has been a significant decline in collisions over this period but this can be due to a number of factors such as weather conditions.

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- Forty-four additional red light camera sites (\$1.068 million gross and \$2.389 revenue for a net revenue of \$1.320 million) will be added to the current 49 camera sites which will improve the safety at intersections controlled by traffic signals. The existing red-light cameras have been successful in reducing right-angle collisions resulting in personal injury or death by 48%.
- The appearance of roadway and roadside areas will be improved by Mechanical Weed Control on sidewalks and boulevards as a Clean & Beautiful City Initiative (\$0.125 million gross and net).
- Four bylaw officers will be hired to enforce front yard parking infractions (\$0.050 million gross and net) and funding will be derived from front yard parking fee revenue commencing in 2008.
- Two Roads Inspectors will be hired to administer the new Municipal Road Damage Bylaw (\$0.080 million gross and \$0.020 million net revenue).
- The City will host the Pedestrian Plan/Walk 21 International Conference to engage international pedestrian planning experts in the development of Toronto's Pedestrian Plan (\$0.367 million gross, \$0 net).
- The Toronto Bike Plan implementation will be accelerated and a new Pedestrian Plan will be developed with four new funded staff positions to support these initiatives (\$0.287 million gross, \$0 net).

TRANSPORTATION SERVICES

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 and 2009 Outlook maintains the 2007 level of service while managing the cost of living allowance (COLA) and merit/step increments for union and non-union staff. The outlook for 2009 does not include a provision for COLA, as the increase is subject to future negotiations. Also included is operating impact from Capital related to the ongoing new costs incurred as a result of new traffic signal and Road Emergency Services Communications Unit (RESCU) system installations estimated at \$0.270 million for each of 2008 and 2009.
- The strategic direction for Transportation Services over the next three years is to maintain the established plan of providing a balanced approach to the delivery of public services while managing constrained resource allocation. The three-year operating plan enables Transportation Services to address the following challenges and issues:
 - > expanding Clean & Beautiful Initiatives
 - > transportation system infrastructure maintenance
 - > greater priority placed on the Bike Plan and the Pedestrian Plan
 - > phased expansion of the Red Light Camera program
 - > harmonizing street cleaning and flushing
 - > provision of resources to manage the City's new Road Damage Policy
 - > development in the Waterfront area

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

Transportation Services' capital spending totalled \$200.6 million or 56.8% of the 2006 approved cash flow of \$353.1 million. Transportation's capital work consists of two main categories of capital projects: State Of Good Repair (SOGR) and Infrastructure Enhancement.

- The delivery of the (SOGR) of the Transportation Services Capital Works Program did not meet spending targets. For the 2006 Capital Plan, over half of the programmed work had been awarded by August 2006 to sub-contractors in the competitive bid process, so that state of good repair was 71% was spent by year end. Expenditures included local & major road reconstruction and resurfacing, rehabilitation and repair of city bridges and expressway repairs.
- Infrastructure Enhancement projects were 43% spent at year-end. Delivery rates for these growth projects are heavily reliant on third party commitment. The complex technical and logistical challenge of these and other large projects of this nature have a dramatic impact on schedules and a corresponding effect on spending rates. Major expenditures in 2006 were for:
 - > the Front Street Extension for the purchase of the facility at 9 Hanna (\$12.7 million)
 - > work on the Simcoe Street Tunnel to improve traffic flow south of Front Street (\$5.0 million)
 - > various construction projects for streetcar track replacement (\$10.0 million)
 - > widening and reconstruction of the pavement on Ellesmere Road from Warden Avenue to Kennedy Road (\$6.2 million)

TRANSPORTATION SERVICES

- > work on the Milner Connector at Morningside/401 (\$6.1 million)
- > start of work on the St. Clair Dedicated Right of Way from Tweedsmuir to Gunns Road (\$6.2 million)
- > start of demolition work on the Dufferin Jog Elimination project (\$2.6 million)
- > enhancement of the City's Cycling Infrastructure by construction of bike lanes and traffic calming measures (\$2.5 million)

In addition to the projects outlined above the following Capital initiatives were also accomplished in 2006:

- compiled up-to-date five-year needs of state-of-good-repair roadway facilities
- successfully provided interim funding to repair storm damaged facilities
- provided expert advice on transportation issues to the Minister of the Environment's Advisory Panel on environment assessment (EA) Reform in Ontario
- provided input on Waterfront Revitalization initiatives, including the West Donlands and East Bayfront EA Master Plan
- completed/commenced 10 major planning studies
- installation of 2000 bike rings, bringing total to over 17,000
- completed pedestrian safety pilot projects on "zebra crossings" and "leading pedestrian intervals"
- employed real-time capital project progress and expenditure tracking system
- co-ordinated multi-disciplinary, cross-divisional Five-Year Capital Program between Transportation Services and Toronto Water
- continuation of the City-wide LED traffic signal lamp replacement program under Phase 2, for the conversion of 270 signalized intersections
- continued development of an integrated traffic control inventory management system

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan for Transportation Services advances objectives as outlined in the Mayor's Mandate. Transportation Services plays a key role in providing the City's public infrastructure that supports these initiatives by ensuring capital assets are maintained and future needs are addressed.

Consistent with the approach over the past several years, projects have been prioritized based on the following:

1. Safety issues relating to bridges, roads, and sidewalks
2. Road resurfacing to maintain a state of good repair
3. Road reconstruction to maintain a state of good repair
4. Traffic control
5. System enhancements

The Five-Year Capital Plan has the objective of addressing the state of good repair backlog (SOGR) as it is currently known. At year-end 2006 the estimated SOGR backlog is \$301 million. The average annual backlog for SOGR over the Five-Year Capital Plan is \$84 million which requires capital works for bridges, roads, sidewalks, and expressways. In recognition of Transportation Services' state of good repair needs, the

TRANSPORTATION SERVICES

Five-Year Capital Plan also includes \$5 million per year (total of \$25 million) to address the backlog on the western Gardiner Expressway at grade section from Dowling Ave. to Hwy 427.

The Five-Year Capital Plan also includes provision for hydro enhancement work for the St. Clair Transit Improvement project. \$2.0 million had been allocated in 2006 with a further \$4.0 million in 2007 and \$3.0 million in 2008. This change in scope will be accomplished by deferring other road projects in adjacent wards.

2007 CAPITAL BUDGET HIGHLIGHTS

- The 2007 Approved Capital Budget will allow the program to complete work on bridge rehabilitation for \$37.1 million, median and resurfacing work on the Gardiner for \$16 million and Don Valley expressway for \$6.5 million, major and local road reconstruction and resurfacing for \$85.5 million, and sidewalk reconstruction for \$11.9 million.
- This 2007 Approved Capital Budget also funds Service Improvement projects consisting of traffic control installations, signage for \$24.8 million, road safety improvement projects for \$8 million and accelerated cycling initiatives for \$5 million.
- 2007 funding for Growth projects will allow construction of the Dufferin Jog Elimination for \$12.8 million, grade separation at Morningside/Finch Ave for \$17.9 million, the North Yonge Centre Service Road for \$15.8 million, Streetcar Track replacement for \$19 million, the Bloor Street Transformation for \$13 million and the installation of the St. Clair Dedicated Streetcar Line for \$44.8 million.
- The 2007 Recommended Capital Budget of \$246.265 million (excluding amounts carried forward) is allocated 54% to State of Good Repair projects at \$132.3 million; 31% to Growth-Related projects at \$76.7 million, 11% to Service Improvement projects at \$26.9 million and 4% to Health & Safety projects at \$10.4 million.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- The Five-Year Capital Plan (2007 Approved Budget and 2008–2011 Plan) requires cash flows of \$246.265 million in 2007, \$233.523 million in 2008, \$214.369 million in 2009, \$217.816 million in 2010 and \$205.124 million in 2011.
- State of Good Repair (SOGR) represents 54% of spending within the Five-Year Capital Plan, the average over five years is \$150 million. Average annual expenditures on major projects include bridge rehabilitation \$33.5 million, expressways \$16.6 million, major roads \$36.2 million, local roads \$41.5 million, sidewalks \$10.7 million and miscellaneous infrastructure \$8.3 million. In response to Transportation Services' SOGR backlog, funding in the amount of \$5 million per year over five years has been added to the Five-Year Capital Plan to reduce the backlog of work on the western Gardiner Expressway. This will allow the program to replace the median guard rail in 2007 which is urgently in need of repair. Future years funding will allow the program to start major rehabilitation work on the western section of the Gardiner from the Humber River to Highway 427.

TRANSPORTATION SERVICES

- Service Improvement/Growth funding averages \$62 million per year or 42% of the Five-Year Capital Plan funding estimates. The Service Improvement projects consist of traffic light installations, signage and road safety improvement projects and accelerated cycling initiatives. Growth projects include major development-related road projects including road widening and improving and grade separations. Projects in this category are the Dufferin Jog Elimination, grade separations on Steeles, Sheppard and Morningside, the North Yonge Center land acquisitions and construction of the service road, various track replacement work (recoverable from the TTC), Highway 27 (401-Steeles) and the completion of the St. Clair Dedicated Streetcar Line. Projects are prioritized based on resource/land availability and current assessed need to maintain appropriate safety and capacity standards in accordance with the City's priorities and debt affordability guidelines.

- The Five-Year Capital Plan for Transportation Services directly supports the following specific areas of the Mayor's Mandate:
 - > "A Cleaner and More Beautiful City" which includes working with City Planning to improve standards related to civic improvement projects
 - > A Wonderful Waterfront City", "A Greener City" by continuing to include funding for Street Trees
 - > "A Creative City" and "Better Transit Today" including such dedicated transit right-of-way projects as Yonge St. (Finch to Steeles) and Kingston Road as well as increased project funding for cycling infrastructure

TRANSPORTATION SERVICES

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Bloor Street Transformation	12,000	12,000	-	-	-	24,000
St.Clair (Yonge to Gunn's Rd.)	8,946	11,000	-	-	-	19,946
Morningside Ave./Finch Ave. Grade Separation	7,500	-	650	-	-	8,150
Dufferin Street Jog Elimination	6,809	16,054	-	-	-	22,863
St.Clair (Yonge to Gunn's Rd.)	6,054	-	-	-	-	6,054
Simcoe Street Underpass-Railway Lands	5,000	2,437	-	-	-	7,437
Simcoe Street Underpass-Railway Lands	5,000	2,276	-	-	-	7,276
LED Signal Module Conversion	4,730	4,730	3,130	-	-	12,590
Traffic Plant Requirements/Signal Asset Management	3,800	-	-	-	-	3,800
Ellesmere, Warden-Kennedy	3,635	-	-	-	-	3,635
City Bridge Rehabilitation	3,600	-	-	-	-	3,600
Local Road Resurfacing	3,000	-	-	-	-	3,000
Traffic Control-RESCU	2,817	-	-	-	-	2,817
Major Road Resurfacing	2,700	-	-	-	-	2,700
Gardiner from DVP to 427	2,600	-	-	-	-	2,600
Local Road Reconstruction	2,300	-	-	-	-	2,300
Major Road Reconstruction	1,600	-	-	-	-	1,600
Sidewalks	1,400	-	-	-	-	1,400
Facility Improvements	1,350	-	-	-	-	1,350
Cycling Infrastructure	950	-	-	-	-	950
Salt Management Program	800	-	-	-	-	800
Upgrades To Meet New ESA Requirements	500	-	-	-	-	500
Signal Major Modifications	430	-	-	-	-	430
We Are All Pedestrians	400	-	-	-	-	400
Don Valley Parkway Rehabilitation	360	-	-	-	-	360
New Traffic Control Signals/Devices	290	-	-	-	-	290
Third Party Signals	254	-	-	-	-	254
Oversized Street Name Signs	163	-	-	-	-	163
Audible Signals	160	-	-	-	-	160
Permanent Count Stations	150	-	-	-	-	150
Transit Priority	148	-	-	-	-	148
Street Furniture Harmonization	113	-	-	-	-	138
Allen Expressway	112	-	-	-	-	112
Laneways	110	-	-	-	-	110
Total Previously Approved	89,781	48,497	3,780	0	0	142,058

TRANSPORTATION SERVICES

2007 Approved Capital Budget (cont'd.)

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
City Bridge Rehabilitation	27,650	3,700	-	-	-	31,350
Local Road Resurfacing	18,141	3,020	-	-	-	21,161
Major Road Resurfacing	16,800	2,700	-	-	-	19,500
Various Construction Projects	15,000	-	-	-	-	15,000
Major Road Reconstruction	10,600	1,600	-	-	-	12,200
Local Road Reconstruction	9,890	2,300	-	-	-	12,190
Sidewalks	8,850	1,400	-	-	-	10,250
North Yonge Centre - Acquisition	7,290	-	-	-	-	7,290
Gardiner from DVP to 427	6,900	2,600	-	-	-	9,500
Backlog Western Gardiner	5,000	-	-	-	-	5,000
Don Valley Parkway Rehabilitation	4,640	650	-	-	-	5,290
St. Clair (Yonge to Gunn's Rd.)	4,000	3,000	-	-	-	7,000
PXO Replacement & Visibility Enhancement	3,630	-	-	-	-	3,630
Cycling Infrastructure	2,050	950	-	-	-	3,000
North Yonge Centre - Construction	2,050	-	-	-	-	2,050
New Traffic Control Signals/Devices	1,640	280	-	-	-	1,920
Third Party Signals	1,146	354	-	-	-	1,500
Engineering Studies	1,066	119	-	-	-	1,185
Signal Major Modifications	1,050	880	-	-	-	1,930
Retaining Walls Rehabilitation	1,050	-	-	-	-	1,050
Allen Expressway	1,008	112	-	-	-	1,120
Growth Related Capital Works	1,000	-	-	-	-	1,000
Construction Pavement/Sidewalks (Railway)	1,000	-	-	-	-	1,000
Leaside Bridge	1,000	-	-	-	-	1,000
Laneways	990	110	-	-	-	1,100
Milner Connector at Morningside/401	900	-	-	-	-	900
Street Tree Planting	834	93	-	-	-	927
Advanced Traffic Signal Control	816	924	-	-	-	1,740
Traffic Calming	695	78	-	-	-	773
Upgrades To Meet ESA Requirements	600	640	-	-	-	1,240
Transit Priority	552	648	-	-	-	1,200
Audible Signals	540	130	-	-	-	670
Safety & Operational Improvements	464	51	-	-	-	515
Ellesmere, Warden - Kennedy	300	-	-	-	-	300
Salt Management Program	200	254	-	-	-	454

TRANSPORTATION SERVICES

2007 Approved Capital Budget (cont'd.)

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
We Are All Pedestrians	140	270	-	-	-	410
Sign Replacement-Expressway	130	-	-	-	-	130
Oversized Street Name Signs	40	260	-	-	-	300
Facility Improvements	-	1,000	-	-	-	1,000
Traffic Plant Requirements/Signal Asset Management	-	5,700	-	-	-	5,700
Traffic Control-RESCU	-	1,000	-	-	-	1,000
Unspecified Adjustment to Guideline	(3,300)	(3,000)	-	-	-	(6,300)
Total New Projects	156,352	31,823	-	-	-	188,175
Total Transportation Services	246,133	80,320	3,780	0	0	330,233

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget consists of new debt service costs and net program costs. New debt service costs include \$5.118 million in 2007 and incremental costs of \$20.305 million in 2008, \$5.757 million in 2009 and \$0.416 million in 2010. As well, approval of Transportation Services' Five-Year Capital Plan will result in operating impacts of \$0.270 million for 2007, \$0.270 million for 2008, \$0.270 million for 2009, \$0.270 million for 2010 and \$0.270 million for 2011 and are driven by the following projects:

- Traffic Control RESCU System: the operating impact associated with this project is estimated to be \$20,000 per year for maintenance and additional systems.
- New Traffic Control Signals: the operating impact associated with this project is estimated to be \$0.250 million per year for maintenance and additional systems.

ASSET INVENTORY

Transportation Services has the responsibility for maintaining and building of operational facilities and roadway and traffic control infrastructure. The following represents the two major groupings of assets:

Group	Quantity	Asset
Facilities	7	Transportation Yard
	9	Works Yard (Shared)
	4	Winter Maintenance Depots
	1	Consolidated Sign Shop
	1	Traffic Management Centre/Safety Bureau & Data Centre
Infrastructure	535	Bridges/Underpasses
	40	KMs Expressways (Centerline)
	693	KMs Major Roads (Centerline)
	4,480	KMs Minor Roads (Centerline)
	7,066	KMs Sidewalks (Centerline)
	1,792	Traffic Signals (Intersections)
	662,010	Traffic Signs

TRANSPORTATION SERVICES

BACKLOG ANALYSIS

The main focus of the Five-Year Capital Plan is to complete on-going state of good repair projects for major and local roads, bridge infrastructure and expressways. Due to recent years' funding constraints, there is a backlog of state of good repair work for on-going maintenance currently estimated at \$301 million by year-end 2006. While the program is managing its many project challenges within funding constraints, the focus is to ensure cash flow is approved only for those projects ready to proceed. The current backlog is estimated to include the following:

Projects	Amount in Millions (\$)
Major & Local Road & Sidewalks	163
Bridge Rehabilitation	49
Gardiner Expressway (West)	89
Total Project Backlog	301

The current capital plan includes provision for partial reduction of backlog related to the western section of the Gardiner Expressway. An additional \$25 million over five years has been recommended to reduce this backlog and allow the program to proceed with repair of the westbound Gardiner.

In order to accomplish the Five-Year Capital Plan and meet the debt affordability targets, funding to eliminate the backlog for local and major roads has been re-allocated to other projects of higher and immediate priority. The reallocation extends the backlog elimination by four to five years. The current SOGR backlog is estimated to be \$301 million, this SOGR backlog is estimated to be \$422 million by the end of 2011. An estimated amount of \$197 million per year would be needed in order to eliminate the backlog by 2016.

WATERFRONT SECRETARIAT

MISSION STATEMENT

The Waterfront Secretariat leads and directs the City's participation in the revitalization of Toronto's Waterfront. It advises City Council on the business performance and fiscal requirements of the Toronto Waterfront Revitalization Corporation (TWRC), ensures collaboration across divisions, agencies, boards and commissions in the planning and delivery of Waterfront initiatives, and provides strategic direction on the management of municipal assets in the Designated Waterfront Area. It also ensures that the City's policies, priorities, and regulations are respected and reflected in all decision-making processes associated with Waterfront Revitalization, including tri-government negotiations.

2006 KEY ACCOMPLISHMENTS

- led the negotiation of a Memorandum of Understanding approved by Council in January, 2006, between the City of Toronto, City of Toronto Economic Development Corporation (TEDCO), and the TWRC that set out their respective roles and responsibilities in revitalizing East Bayfront and the Port Lands
- led the preparation of a Community Improvement Project Area Bylaw for East Bayfront, West Don Lands, the Port Lands and the area south of Eastern Avenue that was approved by Council in July, 2006
- led the City's due diligence review of the East Bayfront Business and Implementation Plan that was approved by Council in July, 2006
- led the tri-government negotiations and due diligence process on the TWRC's Long-Term Funding Plan (2006–2015) that was approved by Council in July, 2006
- expedited the City's approvals and implementation process for the West Don Lands that included the preparation of a Risk Assessment/Risk Management Plan, plan of subdivision, zoning, environmental assessments and road closures
- led the process to relocate businesses in the West Don Lands impacted by Revitalization
- managed the City's involvement in the TWRC-sponsored design competition for the Central Waterfront Public Realm

2007 PROGRAM OBJECTIVES

- ensure that the critical paths, resources, and staff structures are in place within the City and the TWRC to achieve the Mayor's mandate with respect to the revitalization of Toronto's Waterfront
- ensure the structure, technical expertise and capacity of the City's Waterfront teams are appropriate and sufficient to deliver the Waterfront parks and public spaces, and other deliverables, by 2010
- identify opportunities for collaboration and innovation, meld the best practices of existing processes with new approaches to City-building and brownfield development and manage their implementation
- ensure project and TWRC compliance with Council objectives and City budget, policies, plans, joint agreements and protocols
- manage the municipal processes necessary for implementing West Don Lands and East Bayfront Precinct Plans with particular emphasis on parks, affordable housing and employment attraction
- lead the City's participation in the TWRC's Precinct Planning process for the Port Lands

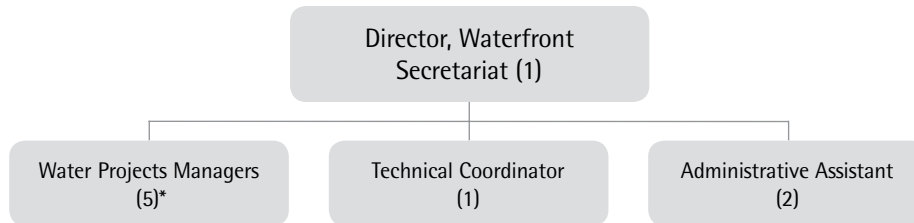
WATERFRONT SECRETARIAT

- lead the City's due diligence process on the TWRC's options for improving the Gardiner/Lakeshore corridor, including assessing financing implications of the proposed scenarios
- in conjunction with the TWRC and other City divisions, advance the use of tax increment financing and the provision of provincial and federal incentives as part of the Waterfront Community Improvement Plan to encourage employment and green development
- develop and implement the Western Waterfront Master Plan
- with Legal and Planning, advance the approval of the Central Waterfront Secondary Plan and East Bayfront zoning bylaw at the Ontario Municipal Board
- ensure prudent and accountable fiscal management of the Waterfront Revitalization Initiative
 - > lead the tri-government negotiations on the TWRC's Long-Term Funding Plan (2007–2016), and report to Council on the results of this process
 - > negotiate other tri-government agreements in a manner that protects and reflects the City's interests and priorities
- identify and clarify the potential impacts on the City's Operating Budget resulting from new Waterfront infrastructure, and determine mitigating measures to address the impacts
- facilitate solutions to the management and sharing of risk among the orders of government and the TWRC related to financial securities and indemnification
- ensure strong inter-governmental co-operation on the Waterfront Revitalization Initiative, and facilitate strategic alignment among all government partners (Lead the management of intergovernmental initiatives; ensuring that regulatory and approval processes are streamlined to the fullest extent possible.)
- facilitate strong partnership between the City, TEDCO and the TWRC as per the Memorandum of Understanding approved by Council in 2006
- ensure that municipal interests and priorities are effectively communicated and protected when dealing with external public agencies, including the Toronto Port Authority, TRCA and Ontario Realty Corporation.
- support the Mayor in his role as a member of the TWRC Board and ensure that other municipal appointees to the board understand and advance municipal priorities and initiatives
- with impacted divisions, clarify the City policies, processes and requirements and expectations for managing and accepting contaminated land for revitalization purposes and for treating contaminated soils
- lead the City's participation in the completion of risk assessment/risk management protocols required for the Waterfront, in conjunction with other City divisions, TEDCO and the TRCA to ensure that such protocols are in place for environmental, construction and other development activity in the designated waterfront area.
- lead the City's processes related to the environmental assessments required to transform Queens Quay and the Water's Edge in accordance with the design competition held in 2006
- pursue exemption from the Provincial Environmental Assessment Act for infrastructure projects in the waterfront

WATERFRONT SECRETARIAT

PROGRAM MAP

The Waterfront Secretariat is comprised of one service, with a total of 8 positions.



**1 position is on secondment.*

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- advance, streamline, and expedite waterfront renewal by providing one-window access for TWRC, other governments, and stakeholders to all municipal programs, services, divisions, agencies, boards and commissions involved in the initiative
- ensure that the City effectively undertakes all steps necessary for the TWRC to achieve the deliverables outlined in its Long-Term Funding Plan (2006–2015) including the completion of parks and public spaces planned for the waterfront by 2010
- with the provincial and federal partners, ensure that issues of governance, funding, audit, accountability, risk management, environmental assessment and land management are effectively addressed
- with the City's Affordable Housing Office and TWRC, ensure that affordable housing targets are met across the waterfront

WATERFRONT SECRETARIAT

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	804.2	758.6	926.6	122.4	15
Materials & Supplies	1.1	1.1	1.1	0.0	0
Equipment	0.8	4.2	0.8	0.0	0
Services & Rents	185.9	113.3	384.9	199.0	107
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	1.5	2.5	2.5	1.0	67
Total Gross Expenditures	993.5	879.7	1,315.9	322.4	32
Funded by					
Prov. & Fed. and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	166.7	129.1	236.2	69.5	42
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	166.7	129.1	236.2	69.5	42
Net Budget	826.8	750.6	1,079.7	252.9	31
Approved Positions	8.0	8.0	8.0	0.0	0

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Waterfront Secretariat	830	710	994	827	1,316	1,080	322	32.5	253	30.6
Total Program Budget	830	710	994	827	1,316	1,080	322	32.5	253	30.6

2007 OPERATING BUDGET HIGHLIGHTS

- The 2007 Operating Budget will enable the Waterfront Secretariat to advance, streamline and expediate Waterfront renewal by providing one window access for all.
- With this funding, the secretariat will ensure that critical paths, resources and staff structures are in place to stakeholders involved in the Initiative achieve the revitalization of Toronto's waterfront, with specific focus on the municipal processes necessary for implementing the West Don Lands and East Bayfront Precinct Plans, including parks, affordable housing and employment attraction.

WATERFRONT SECRETARIAT

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 and 2009 Outlook is comprised of: a net increase of \$0.039 million or 3.6% in 2008 for ongoing cost of living allowance (COLA), merit & step increases and an additional working day in the calendar year; and in 2009, a net decrease \$0.190 million or 17% mainly as a result of the completion of the Western Waterfront Master Plan in 2008 and the loss of a working day in the 2009 calendar year.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completion of the Western Beaches Watercourse
- completion of the Water's Edge Promenade and pier improvements at York and John Quay under the Harbourfront – Water's Edge Project
- completion of a design competition for the central Waterfront Public Realm, and implementation of an interim installation of the design for Queen's Quay for a 10-day period in August, 2006
- completion of an East Bayfront Business and Implementation Plan that was approved by Council in July, 2006
- completion of a Five-Year Business Plan/Ten-Year Forecast (2006–2015) that was approved by Council in July, 2006
- commencement of the design of Sherbourne Park and of infrastructure for East bayfront

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan reflects a continued transition from the planning to the implementation phase of Waterfront revitalization projects.

2007 CAPITAL BUDGET HIGHLIGHTS

- This year's plan will see no new projects commencing in 2007, but there are ten ongoing projects that reflect the continued transition from the planning to the implementation phase of projects. This is evident in the following sub-projects:
- The Union Station project with a Five-Year Capital Plan of \$37.815 million will see the construction of a second subway platform at Union Station to provide additional passenger capacity and improve safety, while making the station more accessible and efficient.
- Precinct Implementation Projects with a Five-Year Capital Plan of \$58.636 million will consists of the development of the West Don Lands and East Bayfront Precincts, as well as the West Waterfront EA & Design. This will create vibrant sustainable mixed use waterfront communities.
- TWRC Corporate Costs are providing corporate costs over the next ten-year period, which will include expenditures over the Five-Year Capital Plan of \$9.043 million for staff salaries and rent that are not

WATERFRONT SECRETARIAT

allocated to specific projects. In return, the TWRC is putting in place the structures necessary to ensure effective management of waterfront initiatives in consultation with City programs.

- The Port Union, Mimico, and Sports Fields & Facilities & Parks Development projects with a combined Five-Year Capital Plan of \$17.334 will all contribute to the completion of parks and public realm by 2010.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following projects:

- Precinct Implementation Projects will help create a "Stronger Economy" with the adoption of TIF policies for Waterfront redevelopment areas which will allow the City to make major investments in infrastructure and recoup the benefits through tax revenue.
- TWRC Corporate Costs is putting in place the structures necessary to ensure effective management of waterfront initiatives in consultation with City programs, while contributing to the development of a comprehensive public space beautification plan and design competition that will make Toronto a "cleaner and more beautiful City."
- All of the sub-projects within the Toronto Waterfront Revitalization Initiative aim to achieve a "Wonderful Waterfront City." This is evident in the plan for parks and public spaces within the Sports Fields & Facilities & Parks Development project. As well, building 750 acres of new public spaces and parks along the waterfront will be initiated through, but not limited to, the Port Union and Mimico projects, Sherbourne Park (in East Bayfront), Commissioners Park, Don River Park (In West Don Lands), Lake Ontario Park and the Central Waterfront Public Realm projects. Also, these projects will contribute to constructing bike trails and lakefront promenades across the City from Etobicoke to Scarborough. Lastly, creating vibrant sustainable mixed use waterfront communities will be accomplished through the Precinct Implementation projects for the East Bayfront and West Donlands areas.
- Projects such as Union Station and Transportation Initiatives aim to achieve "Better Transit Today" and ensure the initiative has a transit first focus and emphasizes sustainability.

WATERFRONT SECRETARIAT

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
TWRC Corporate Costs	635	1,708	0	4,200	2,500	9,043
Union Station	5,073	17,256	5,666	7,420	2,400	37,815
Mouth of the Don EA's	16	0	0	0	0	16
Portlands Preparation	0	3,437	5,713	2,700	0	11,850
Front Street Extension	0	0	0	1,000	0	1,000
Port Union	4,109	2,300	4,500	0	0	10,909
Mimico	2,657	910	0	0	0	3,567
Precinct Planning Studies	133	0	433	0	0	566
Precinct Implementation Projects	32,767	13,208	3,456	1,325	9,000	59,756
Transportation Initiatives	5,903	11,500	7,634	3,716	5,000	33,753
Dockwall Repairs	2	0	0	0	0	2
West Donlands/East Bayfront District Energy	1,445	202	0	0	634	2,281
Sports Fields & Facilities & Parks Development	680	400	400	835	0	2,315
Technical Studies	539	0	0	0	0	539
Waterfront Project Secretariat	242	210	215	220	225	1,112
Water's Edge Promenade Transit & Transportation	0	0	0	0	0	0
Naturalization of Don River	0	0	2,337	4,60	6,041	12,978
Pier 4 Rehabilitation	1,500	0	0	0	0	1,500
Total Previously Approved	55,701	51,131	30,354	26,016	25,800	189,002
New Projects						
None	0	-	-	-	-	0
Total New Projects	0	0	0	0	0	0
Total Waterfront Revitalization Initiative	55,701	51,131	30,354	26,016	25,800	189,002

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

There may be operating budget impacts on other City programs, agencies, boards and commissions resulting from the approval of the 2007 Capital Budget for the Waterfront Revitalization Initiative. The Waterfront Secretariat has established the Waterfront Renewal Budget Impact Committee to identify the operating impacts arising from the public infrastructure created as a result of waterfront revitalization. The Deputy City Manager responsible for Waterfront Revitalization Initiative and the Deputy City Manager & Chief Financial Officer will be reporting to the Budget Committee in 2007 on the operating budget impacts to City programs, agencies, boards and commissions.

BACKLOG ANALYSIS

The capital program for the Waterfront Revitalization Initiative is categorized as growth, given that all projects are intended to support the revitalization of the Waterfront. The Waterfront Secretariat does not control any City assets or have any state of good repair projects.

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CITY OF TORONTO

2007

Budget Summary

Internal Services



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FACILITIES & REAL ESTATE

MISSION STATEMENT

To work collaboratively and responsively with our clients to advance the city-wide priorities by protecting and maximizing the City's property assets in an innovative and fiscally sustainable manner.

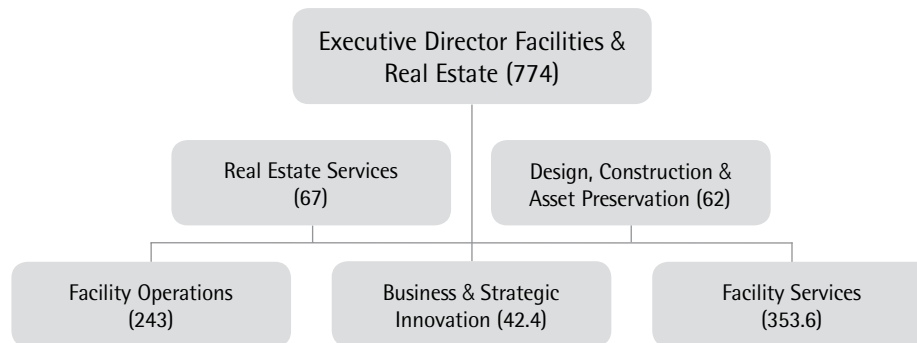
2006 KEY ACCOMPLISHMENTS

- completed renovations of 110,000 sq. ft. of office space, including City Hall, Metro Hall, East York and Etobicoke Civic Centres, 2 Civic Centre Court and 112 Elizabeth Street
- launched an open, two stage design competition for the revitalization of Nathan Phillips Square
- implemented the Deep Lake Water Cooling system at Metro Hall. (The system will draw cold water from Lake Ontario to cool the office buildings - there will be a significant reduction in energy use as well as noise pollution and humidity generated by chillers, fans, and cooling towers.)
- co-ordinated City participation in the Conservation and Demand Management Plan (initiated by the Toronto Hydro Electric System Limited)
- completed over 50 Better Buildings Partnership building assessments for energy efficiency
- achieved approximately 173,000 tonnes per year CO2 emission reductions
- co-ordinated participation in Ontario Power Authority's initiative to conserve 300 MW of electricity
- initiated development of an Energy Plan for Toronto
- completed 60% of inventory of moveable assets including four civic centres
- completed 90% of building condition assessments in Facilities and Real Estate's portfolio
- completed accessibility audits of the civic centres and all work identified in the critical areas at North York Civic Centre and Etobicoke Civic Centre
- completed the installation of exterior corporate signage at all civic centres, Metro Hall, and City Hall; the interior accessibility signage for 1530 Markham Road, all civic centres and City Hall; and the exterior accessibility signage for 1530 Markham Road, City Hall, and all civic centres with the exception of Etobicoke Civic Centre
- completed the exterior stone work at Old City Hall
- reported to Council over \$20.8 million in property sales
- completed 300 property appraisals
- managed 860 leases generating over \$20 million in revenue
- established Central Monitoring Security Site and added 26 Toronto Water sites, 12 Solid Waste sites and 10 Transportation sites to the Corporate Security Program

FACILITIES & REAL ESTATE

PROGRAM MAP

Facilities and Real Estate is comprised of five services, with a total staffing complement of 774 approved positions.



2007 PROGRAM OBJECTIVES

- provide construction project management, space planning and accommodation services facility life cycle planning and other technical services city-wide
- evaluate and improve all divisional processes to meet customer needs
- effectively deliver essential utilities
- improve the environment through waste reduction and recycling initiatives
- effectively deliver audio visual services throughout the City
- effectively manage the booking of various public spaces
- ensure facility systems and equipment operate effectively, efficiently, and safely
- manage City property strategically and provide innovative approaches to portfolio development
- improve the environment through reductions in carbon dioxide and other harmful emissions and maximize conservation opportunities
- provide effective project management services and engage in sound, long-term financial and resource planning in order to maintain the integrity of all physical assets
- ensure City facilities are adequately cleaned and maintained

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- select the winner of the Nathan Phillips Square design competition and commence implementation of the winning design
- progress on plans for West District Yards Study and St. Lawrence Market North Redevelopment
- continue to lead the DOTS initiative (Development of Transit Sites) to review existing properties
- continue Better Buildings Partnership program delivery and development
- complete co-ordination of Energy Plan
- continue to enhance the City's participation in the Toronto Hydro-Electric System Limited Conservation and Demand Management Plan

FACILITIES & REAL ESTATE

- maximize the City's energy efficiency incentive funding received from utilities
- implement Deep Lake Water Cooling at Old City Hall
- continue to implement the Business Integration Project (BIP) system
- update the Custodial Service Improvement project work plan
- complete final phase of audio/video connectivity between all Civic Centres, Metro Hall and City Hall

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	54,889.3	56,450.2	58,684.3	3,795.0	6.9
Materials & Supplies	26,901.7	23,031.8	26,281.1	(620.6)	-2.3
Equipment	746.9	762.6	760.9	14.0	1.9
Services & Rents	32,778.7	34,322.0	33,865.6	1,086.9	3.3
Contributions & Transfers	1,552.1	2,786.4	1,543.5	(8.6)	-0.6
Others (Includes IDCs)	892.4	1,782.5	1,285.6	393.2	44.1
Total Gross Expenditures	117,761.2	119,135.5	112,421.0	4,659.8	4.0
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	16,656.0	18,426.7	18,478.0	1,822.0	10.9
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	48,144.4	48,324.5	49,998.8	1,854.5	3.9
Total Non-tax Revenues	64,800.4	66,751.2	68,476.8	3,676.5	5.7
Net Budget	52,960.8	52,384.3	53,944.2	983.2	1.9
Approved Positions	764.4	764.4	774.0	9.6	1.3

2007 OPERATING BUDGET BY SERVICE

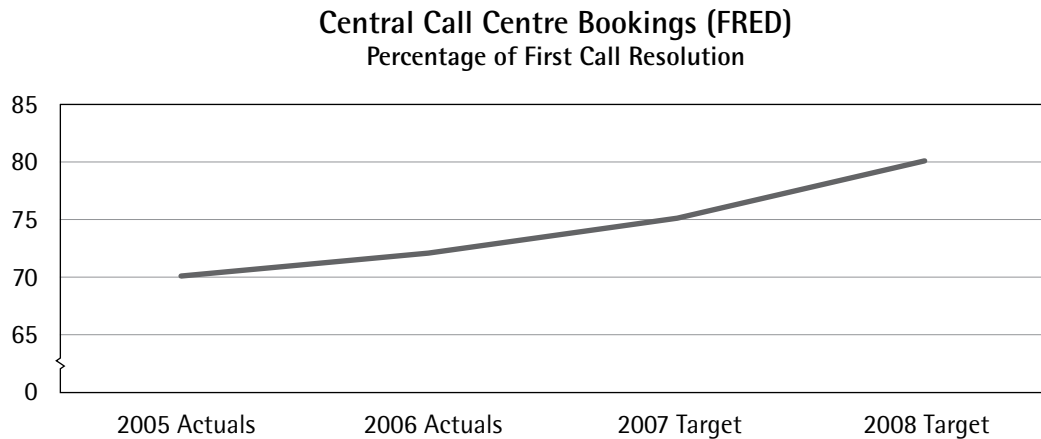
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Facilities	99,123	61,367	104,253	64,662	108,529	65,922	4,273	4.1	1,261	1.9
Real Estate	12,480	(10,125)	13,509	(11,701)	13,895	(11,978)	387	2.9	(277)	2.4
Total Program Budget	111,603	51,240	117,761	52,961	122,421	53,944	4,660	4.0	983	1.9

FACILITIES & REAL ESTATE

KEY PERFORMANCE MEASURES

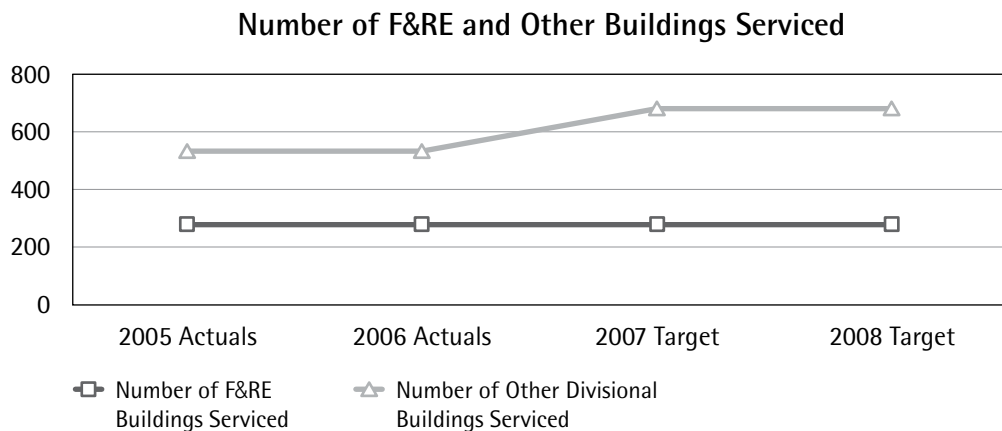
Efficiency Measure

Measures the first call resolution percentage.

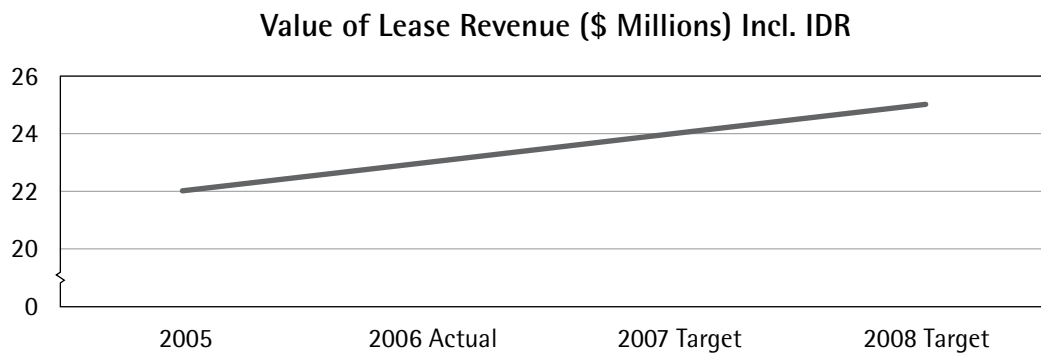


Output Measure

Measures the number of corporate and other buildings serviced.



This measure compares values of lease revenues achieved by the Facilities and Real Estate Division.



FACILITIES & REAL ESTATE

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget provides funding to maintain the same level of service as in 2006 and also includes some new/enhanced service priorities:

- A team for Union Station will be established to provide stewardship, renewal and revitalization of this heritage building (\$0.683 million gross, \$0 net).
- The Toronto Energy Plan to guide future energy demand management and conservation initiatives will be developed in 2007 (\$0.570 million gross, \$0 net).
- Ontario Power Authority will provide incentives to achieve, through demand response measures, 20 MW of energy savings (\$0.150 million gross, \$0 net).

2008/2009 OPERATING BUDGET OUTLOOK

A key objective for Facilities and Real Estate continues to be the development and evaluation of different strategies, programs and priorities which promote the latest building maintenance standards and green initiatives that reduce energy consumption.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- Facilities and Real Estate worked on 292 capital projects and 600 on-demand construction and asset preservation work orders on a city-wide basis.
- completed audit assessments of actual conditions for 90% of corporate buildings
- achieved 80% spending rate

FIVE-YEAR STRATEGIC OBJECTIVE

- To continually and proactively maintain corporate facilities in a state of good repair and ensure that they provide a safe and functional environment for all users
- To complete the remaining 10% of building audits to assess actual conditions of all corporate buildings
- To reduce the current backlog of essential projects and to continue addressing essential life cycle replacements at the same time

2007 CAPITAL BUDGET HIGHLIGHTS

- on-going Health and Safety projects (\$13.558 million), Legislative or contractually required projects (\$7.397 million), State-of-Good-Repair (SOGR) projects (\$5.383 million) and Service Improvement projects (\$6.180 million)
- completion of approximately 80 projects involving mechanical, electrical, structural, environmental and other capital maintenance work on various corporate facilities across the City, reducing the current State-of-Good Repair project backlog by \$9 million

FACILITIES & REAL ESTATE

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- The Five-Year Capital Plan will fund a number of multi-year projects, including renewal of all external corporate signage, installation of an Uninterruptible Power Supply at Police Headquarters, environmental emergency remediation at various City locations and compilation of an inventory of moveable corporate assets, which will all be completed within the next five years.
- Implemented projects will ensure adherence to the latest building standards and ecologically friendly initiatives such as the Green Roof project (\$ 1.0 million, to be completed in 2008) and the Deep Lake Water Cooling (DLWC) project at Old City Hall (\$3.27 million, to be completed in 2012).

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Reroofing & Structural/Building En.	139	864	-	-	-	1,003
Mechanical/Electrical	6,549	4,464	5,000	2,509	816	19,338
Emergency & SOGR Police	181	666	367	45	-	1,259
Other	4,486	1,422	1,260	1,040	1,257	9,465
Total Previously Approved	11,355	7,416	6,627	3,594	2,073	31,065
New Projects						
Reroofing & Structural/Building En.	4,866	2,801	70	-	-	7,737
Mechanical/Electrical	8,735	7,148	1,066	804	744	18,497
Emergency & SOGR Police	267	-	-	-	-	267
Other	7,295	6,127	1,190	934	745	16,291
Total New Projects	21,163	16,076	2,326	1,738	1,489	42,792
Total Facilities & Real Estate	32,518	23,492	8,953	5,332	3,562	73,857

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs only.

ASSET INVENTORY

Facilities and Real Estate is responsible for the maintenance of 267 corporate buildings; their asset categories correspond to individual buildings.

BACKLOG ANALYSIS

The Five-Year Capital Plan incorporates essential life cycle replacements and addresses existing state of good repair backlogs. The corporate facilities portfolio has an estimated \$167 million in essential backlog projects. Within five years, at the current funding level, Facilities and Real Estate will reduce this backlog by approximately \$71 million, or \$14 million on average annually. The backlog balance is expected to be eliminated by the end of 2018, subject to the approval of consistent funding levels and the results of future building condition assessments.

FINANCIAL SERVICES

In the City of Toronto the capital budgets and five-year capital plans for the Office of the Chief Financial Officer and the Office of the Treasurer are consolidated under Financial Services.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

Financial Services spent \$2.2 million or 32% of its approved cash flow budget in 2006. As a result, \$4.0 million is being carried forward into 2007.

Projects progressing on schedule include the Program Planning Information System, Development Charges Bylaw Review, Time Entry System Replacement and the Corporate Materials Management Stores Review.

FIVE-YEAR STRATEGIC OBJECTIVE

The Financial Services' Five-Year Capital Plan has been developed to balance a commitment to maintain current technology in a state of good repair and to maximize the use of the City's current financial information systems within the assigned debt targets. The majority of the capital projects in this capital plan are systems-oriented, focussing on technological improvements that enhance City-wide financial processes. The Five-Year Plan includes projects that maintain existing systems in a state of good repair and facilitate the need for flexible and timely information, such as:

- Tax and Water Upgrade
- Parking Tag Revenue Management and Parking Tag Scanner Replacement
- Workflow & Document Management Technology
- Captor Migration to New System
- Business Information Warehouse

The Five-Year Plan will provide new funding for projects to commence in 2007 and continue over the Five-Year Capital Plan which includes:

- planning and scoping of the Financial Planning, Analysis and Reporting System with the implementation of new SAP technologies to manage the information flows from source divisional systems into SAP
- upgrade of the current outdated Parking Tag Management Software due to changing technology after completion of the feasibility studies
- E-Procurement Implementation after the feasibility studies are completed to utilize corporate technology to streamline the purchasing functions
- Tax and Water Upgrade with feasibility study in 2007 and implementation in 2008 through 2011
- Tax/Water/Parking Tags Counter Relocation to merge the customer service operations on the same floor as the security desk for improved customer accessibility
- Development Charges Background Study to undertake a review of the current development charges to adapt to the new bylaw by 2009

FINANCIAL SERVICES

2007 CAPITAL BUDGET HIGHLIGHTS

2007 priorities focus on the completion of tasks in previously approved projects that assist other City programs with improving service delivery to the public and other City divisions. These projects include:

- Accounts Payable Improvements – Imaging Initiatives
- Program Planning Development (Phase I and II)
- Collective Agreement Implementation
- Time Entry Replacement System to be completed in the first half of 2007
- Revenue Systems – Phase II
- Workflow and Document Management
- Fixed Asset Records System

Projects that maintain a state of good repair, enhance services delivery and meet legislated requirements that are new to the 2007 program include:

- Planning and Scoping of the Financial Planning, Analysis and Reporting System utilizing new SAP technologies to manage the information flows from operational sub-systems into the City's financial information system
- Tax/Water/Parking Tags Counter Relocation that will merge the customer service operations on the same floor improved customer accessibility
- Development Charges Background Study which undertakes a review of the current development charges to adapt to the new bylaw by 2009
- Tax and Water System Upgrade, starting with a feasibility study in 2007 and implementation in 2008 through 2011
- Parking Tag Software Upgrade (Phase II)
- Corporate Material Management (Phase II)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Plan includes projects that maintain existing systems in a state of good repair and that facilitate the need for flexible and timely information such as:

- Tax and Water Upgrade
- Parking Tag Revenue Management and Parking Tag Scanner Replacement
- Workflow & Document Management Technology
- Captor Migration to New System
- Business Information Warehouse

The Five-Year Capital Plan also contributes to the Mayor's mandate:

- Better Transit Today by financing a consultant who will provide advisory support to the City in connection with the financing of the Spadina Subway Extension to York University and beyond into Vaughan
- Efficiency and accountability at City Hall by implementing a multi-year planning and budgeting system to support a performance based service model with the Financial Planning, Analysis and Reporting System project

FINANCIAL SERVICES

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Accounts Payable Process Improvements	161	-	-	-	-	161
Workflow & Document Mgmt Technology	1,590	936	-	-	-	2,526
Revenue System-Phase 11	200	1,372	-	-	-	1,572
Time Entry System Replacement	385	-	-	-	-	385
Collective Agreements Implementation	88	-	-	-	-	88
Fixed Asset Records System	468	-	-	-	-	468
Revenue System-IVR	543	320	-	-	-	863
Financial Planning, Analysis & Reporting System	1,015	-	-	-	-	1,015
Total Previously Approved	3,907	2,628	0	0	0	6,535
New Projects						
Parking Tag Mgmt Software Upgrade	348	1,237	815	-	-	2,400
Financial Planning, Analysis & Rept. System (Planning & Scoping)	1,385	455	-	-	-	1,840
Tax Water System Upgrade 2	250	850	1,500	650	-	3,250
Tax/Water/Parking Tag Counter Relocation	175	175	-	-	-	350
Development Background Studies	275	125	-	-	-	400
Corporate Materials Mgmt & Stores Review	115	-	-	-	-	115
E-Procurement	300	500	500	-	-	1,300
Total New Projects	2,848	3,342	2,815	650	-	1,815
Total Financial Services	6,755	5,970	2,815	650	0	16,190

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs only.

FLEET SERVICES

MISSION STATEMENT

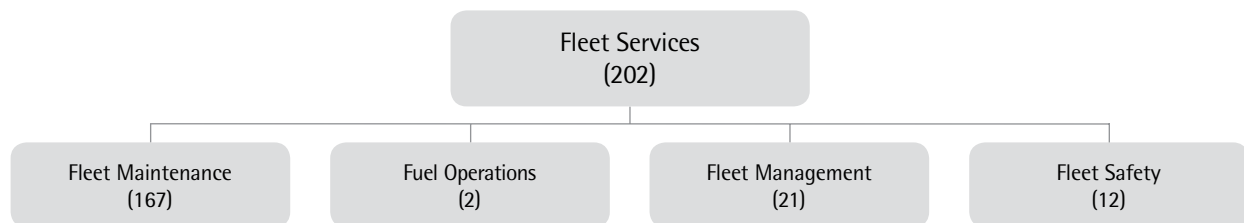
To provide responsive, flexible, efficient and comprehensive Fleet Services to support the delivery of public programs and services.

2006 KEY ACCOMPLISHMENTS

- received a Bronze Award at the Public Service Quality Fair for the Green Fleet Expo
- implementation of the final phase of the Taxi Inspections program
- implementation of the long-range plan to stabilize vehicle and equipment reserve contributions
- initiated the use of bio-diesel and ethanol-enriched gasoline at fleet operated fuel sites
- completed a comprehensive RFP seeking partnership with a large parts distributor
- release of recommendations resulting from the corporate-wide fuel site review

PROGRAM MAP

Fleet Services is comprised of four services, with a total staffing complement of 202 approved positions.



2007 PROGRAM OBJECTIVES

- to improve public services by reducing vehicle downtime
- to help make Toronto a clean and beautiful City by continued implementation of the recommendations in the Green Fleet Plan
- to improve public services by implementing an effective infrastructure for fueling activities
- to improve public service by "right sizing" the inventory of the fleet vehicles
- to implement an "Idle Free" campaign targeting City operated vehicles and equipment through partnership with the user divisions

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- further implementation of the clean fuels program at Fleet managed fuel sites
- evaluate the Green Fleet Transition Plan against set targets and use the lessons learned to draft the next plan for 2008–2010

FLEET SERVICES

- continue the standardization of vehicle specifications, to expedite vehicle procurement and reduce the overall cost to the City
- begin implementation of system integration and parts consignment
- implement Fleet management system upgrade to allow for exception reporting to provide better customer services and fleet information to divisions
- enhance the vehicle maintenance billing process by using a fixed monthly charge-back

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006	2006	2007	Change from	
	Budget	Actuals	Approved	2006 Approved	Budget
	\$	\$	Budget	\$	%
Salaries & Benefits	15,806.0	14,219.6	16,576.4	770.4	5
Materials & Supplies	14,278.3	18,262.8	15,833.2	1,554.9	11
Equipment	103.7	196.6	103.7	0.0	0
Services & Rents	2,959.4	5,895.8	2,959.4	0.0	0
Contributions & Transfers	839.0	844.0	97.7	(741.3)	-88
Others (Includes IDCs)	701.8	58.4	251.0	(450.8)	-64
Total Gross Expenditures	34,688.2	39,477.2	35,821.4	1,133.2	3
Funded by					
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	34,688.2	38,910.3	35,821.4	1,133.2	3
Total Non-tax Revenues	34,688.2	38,910.3	35,821.4	1,133.2	3
Net Budget	0.0	566.9	0.0	0.0	N/A
Approved Positions	199.0	199.0	202.0	3.0	2

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Fleet Maintenance	22,165	-	22,406	-	22,952	-	546	2.4	-	-
Fuel Operations	7,672	-	8,184	-	8,805	-	621	7.6	-	-
Fleet Safety	1,034	-	1,087	-	1,098	-	11	N/A	-	-
Fleet Management	3,130	-	3,011	-	2,967	-	(44)	(1.5)	-	-
Total Program Budget	34,001	-	34,688	-	35,822	-	1,134	3.3	-	-

FLEET SERVICES

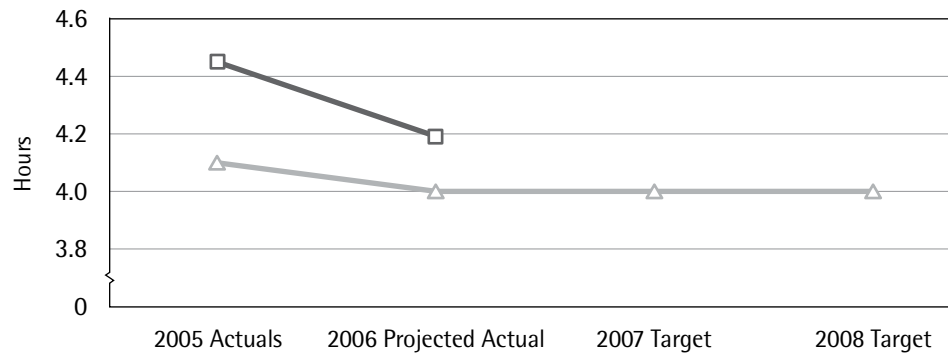
KEY PERFORMANCE MEASURES

Efficiency Measure

Average Unit Downtime

The average downtime indicates the amount of time required to have a vehicle out of service for maintenance. The trend indicates an enhancement in customer satisfaction by reducing delays in service.

Average Unit Downtime

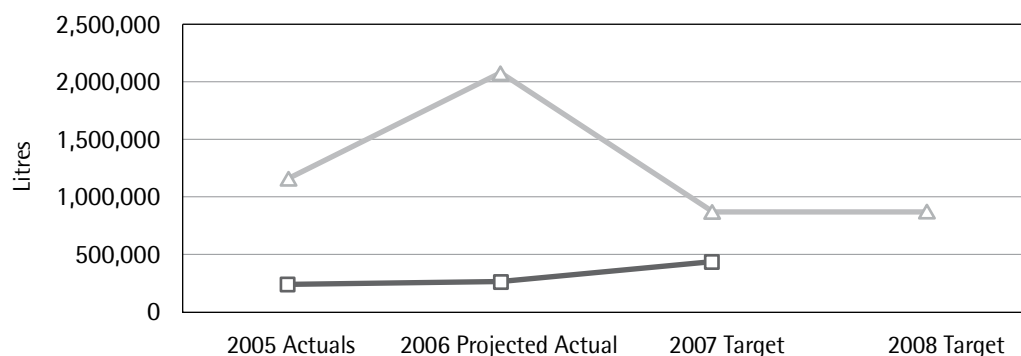


□ Service Level	4.45	4.19		
△ Target	4.1	4	4	4

Quantity of Pure Biodiesel

Increased usage of pure biodiesel (B100) to reduce fossil fuels and emissions of greenhouse gases and smog pollutants.

Quantity of Pure Biodiesel



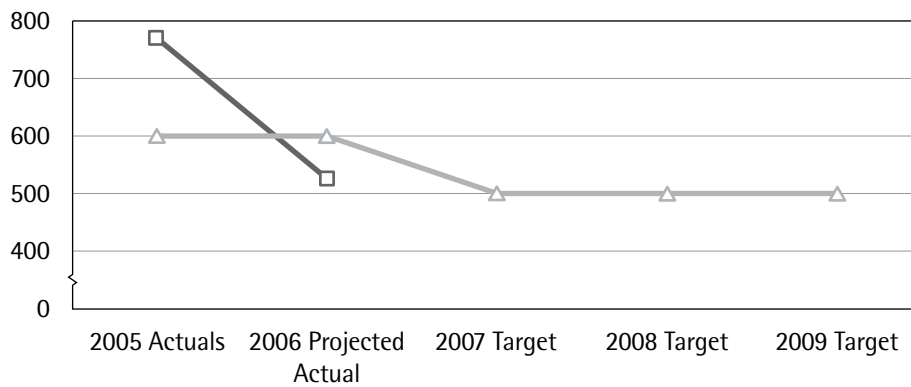
□ Service Level	231,491	258,232	430,000	
△ Target	1,150,000	2,070,000	860,000	860,000

FLEET SERVICES

Number of Accidents

Tracking the accidents can provide valuable information in gearing training requirements regarding safe use of vehicles. With increased emphasis on training, the number of accidents is being reduced.

Number of Accidents



□	Service Level	772	526			
△	Target	600	600	500	500	500

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide funding for Fleet Services to deliver flexible, efficient and comprehensive fleet services to support the delivery of public programs and services. To do so requires the provision and maintenance of 4,800 vehicles and equipment, training and licensing drivers and operators of City vehicles and equipment to ensure compliance with safety standards, managing fuel site operations and supply of fuel from internal and commercial sites and leading the review of all City fuel site operations.

2008/2009 OPERATING BUDGET OUTLOOK

Fleet Services will continue to evaluate the Green Fleet Transition Plan against set targets and use the lessons learned for the next plan for 2008-2010. As well, continue the standardization of vehicle specifications, to expedite vehicle procurement and reduce the overall cost to the City.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- replaced vehicles and equipment totalling \$26.545 million, including \$0.326 million for hybrid-electric vehicles, and \$4.067 million to replace the old mechanical street sweepers with regenerative-air street sweepers to reduce the environmental impact of the City's fleet operations to support reduction of carbon dioxide, and pollutants to the environment
- assisted Parks, Forestry and Recreation with their "Clean and Beautiful City" initiatives

FLEET SERVICES

FIVE-YEAR STRATEGIC OBJECTIVE

- to continue with more timely replacement of vehicles and equipment
- to expand the inventory of hybrid-electric vehicles in pursuit of a cleaner environment

2007 CAPITAL BUDGET HIGHLIGHTS

Total 2007 Cash Flow is \$49.425 million:

- \$11.269 million for Fire Services fleet replacements
- \$8.342 million for Solid Waste Management Services fleet replacements
- \$10.022 million for Toronto Water fleet replacements.
- \$6.248 million for Parks, Forestry and Recreation fleet replacements
- \$4.481 million for Emergency Medical Services fleet replacements
- \$3.944 million for Transportation Services fleet replacements
- \$5.119 million for Other City Programs

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The 2007-2011 Capital Plan primarily addresses the need for timely replacement of vehicles and associated equipment. In addition, the plan provides for the continuation of the Green Fleet initiative to lower emissions and save fuel by taking advantage of innovative greener technology, the closure of fuel sites and the Fleet Management System upgrade. The Five-Year Capital Plan is based on three key factors: expected life of the assets, ability to spend and reducing backlog.

FLEET SERVICES

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Fire Services-Fleet Replacement	8,569	-	-	-	-	8,569
Toronto Water-Fleet Replacement	7,408	-	-	-	-	7,408
Solid Waste-Fleet Replacement	3,267	-	-	-	-	3,267
Parks, Forestry & Rec-Fleet Replacement	2,684	-	-	-	-	2,684
Transportation Services-Fleet Replacement	2,364	-	-	-	-	2,364
Emergency Medical Services-Fleet Replacement	981	-	-	-	-	981
Green Fleet	221	-	-	-	-	221
Exhibition Place-Fleet Replacement	74	-	-	-	-	74
Internal Services-Fleet Replacement	206	-	-	-	-	206
Public Health-Fleet Replacement	220	-	-	-	-	220
Library-Fleet Replacement	10	-	-	-	-	10
Urban Development Services-Fleet Replacement	107	-	-	-	-	107
Zoo-Fleet Replacement	125	-	-	-	-	125
Technical Services-Fleet Replacement	32	-	-	-	-	32
Total Previously Approved	26,268	0	0	0	0	26,268
New Projects						
Solid Waste-Fleet Replacement	5,075	3,000	-	-	-	8,075
Parks, Forestry & Rec-Fleet Replacement	3,564	2,100	-	-	-	5,664
Emergency Medical Services-Fleet Replacement	3,500	-	-	-	-	3,500
Fire Services-Fleet Replacement	2,700	2,750	-	-	-	5,450
Toronto Water-Fleet Replacement	2,614	1,500	-	-	-	4,114
Transportation Services-Fleet Replacement	1,580	1,000	-	-	-	2,580
Replacement of Leased Vehicles	664	-	-	-	-	664
Fleet Management System Upgrade	500	-	-	-	-	500
Green Fleet	420	-	-	-	-	420
Internal Services-Fleet Replacement	765	-	-	-	-	765
Technical Services-Fleet Replacement	360	-	-	-	-	360
Zoo-Fleet Replacement	356	-	-	-	-	356
Fuel Sites Closure	336	-	-	-	-	336
Exhibition Place-Fleet Replacement	300	-	-	-	-	300
Library-Fleet Replacement	250	-	-	-	-	250
Public Health-Fleet Replacement	93	-	-	-	-	93
City Clerk's-Fleet Replacement	59	-	-	-	-	59
Urban Development Services-Fleet Replacement	21	-	-	-	-	21
Total New Projects	23,157	10,350	0	0	0	33,507
Total Fleet Services	49,425	10,350	0	0	0	59,775

FLEET SERVICES

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

There is no incremental impact on the Operating Budget associated with the 2007 Capital Budget.

BACKLOG ANALYSIS

The 2007-2011 Capital Plan is based on the replacement values of the vehicles that become due in that year. Vehicles that are older than eight years are identified for replacement and become part of the future year estimates. Units that are still active after the eight years, or 150,000 kilometres have been reached, become part of the backlog of unfunded replacement. The expected backlog at the end of 2006 is \$38.500 million. Approval of the Five-Year Capital Plan will reduce this backlog annually by \$6.000 million. By the end of the five-year time frame, fleet backlog for City's Programs will be reduced by 77.9% to \$8.500 million.

INFORMATION AND TECHNOLOGY

MISSION STATEMENT

To provide information technology leadership, applications, and services to the City of Toronto to support effective program delivery and to enable service improvement and operational efficiencies through the innovative application of information technology.

2006 KEY ACCOMPLISHMENTS

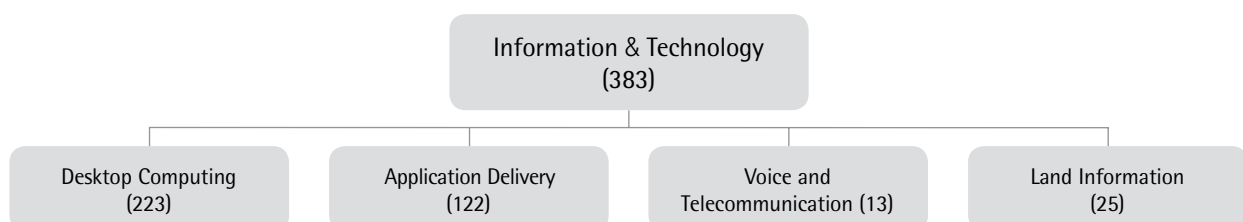
- successfully completed many application and technology infrastructure upgrades for Elections 2006
- developed RFP technical requirements for 3-1-1
- led the development of information architecture for the common knowledge base
- led/participated in projects that brought services online and improved existing online services
- Meeting Management system – Phase 1
- received three Public Service Quality Fair awards, including a gold award for the Technology End of Lease initiative
- implemented upgrades to geospatial environment and completed many successful projects with clients
- implemented Information Technology Infrastructure Library (ITIL) service management and operations best practices – Service Desk/related Incident Management process flow and upgraded the Service Desk tool
- 2006 Desktop Sustainment – completed the deployment of 7527 units (860 Desktops, 658 Notebooks, 244 Printers, and 5770 monitors).
- Service Desk handled 70,000 calls and 33,000 e-mails.

2007 PROGRAM OBJECTIVES

- To continue to support the City's business operations in achieving service improvements, operational efficiency and City building
- To improve services and access through eService, and eGovernment programs
- To ensure a state of good repair for the technology infrastructure
- To ensure that the network, data centre, server/storage, applications and data are secure, available and reliable
- To embrace 'best practice' process improvement

PROGRAM MAP

Information and Technology is comprised of four services, with a total staffing complement of 383 approved positions.



INFORMATION AND TECHNOLOGY

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- continued development of the eCity multi-year Strategic Plan – to progressively leverage IT to drive City service and operational effectiveness improvements
- 3-1-1 technology implementation
- City website renewal
- document management implementation
- participate in planning the implementation of the records management strategy
- SAP technical upgrade
- successfully complete the 2007 lifecycle replacement program (Sustainment)
- network upgrades and security improvements
- initiate disaster recovery planning
- implement the Corporate Technology Asset Management System and the Telecommunications Expense Management System

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	34,442.7	32,872.6	37,536.2	3,093.5	9
Materials & Supplies	429.7	214.5	449.8	20.1	5
Equipment	294.1	927.8	390.5	96.4	33
Services & Rents	17,085.2	14,223.5	17,828.6	743.4	4
Contributions & Transfers	80.4	80.4	80.4	0.0	0
Others (Includes IDCs)	329.5	386.9	404.0	74.5	23
Total Gross Expenditures	52,661.6	48,705.7	56,689.5	4,027.9	8
Funded by					
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	6,160.0	3,636.8	8,634.7	2,474.7	40
Total Non-tax Revenues	6,160.0	3,636.8	8,634.7	2,474.7	40
Net Budget	46,501.6	45,068.9	48,054.8	1,553.2	3
Approved Positions	373.0	373.0	383.0	10.0	3

INFORMATION AND TECHNOLOGY

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Desktop Computing	32,611	24,046	33,030	29,378	36,243	30,935	3,213	9.7	1,558	5.3
Application Delivery	14,708	13,234	15,234	13,271	16,097	13,432	863	5.7	161	1.2
Voice & Telecom	2,511	2,511	1,222	713	1,192	769	(30)	N/A	56	N/A
Information & Products	2,926	2,707	3,175	3,139	3,157	2,918	(18)	(0.6)	(221)	(7.0)
Total Program Budget	52,756	42,498	52,661	46,501	56,689	48,054	4,028	7.6	1,553	3.3

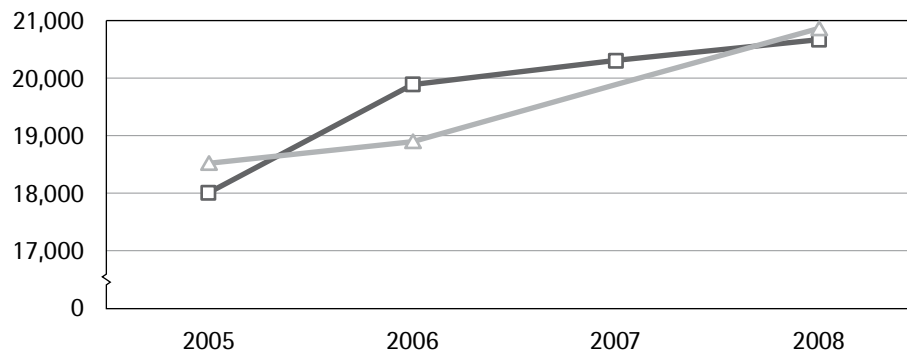
KEY PERFORMANCE MEASURES

Efficiency Measure

Number of Desktop and Laptops and Mailboxes

The number of desktop computers on the network and the GroupWise mailboxes is increasing, and impacts desktop support capabilities and Service Desk services. Each computer represents a minimum of one user requiring support.

Number of Desktops/Laptops and Number of Mailboxes



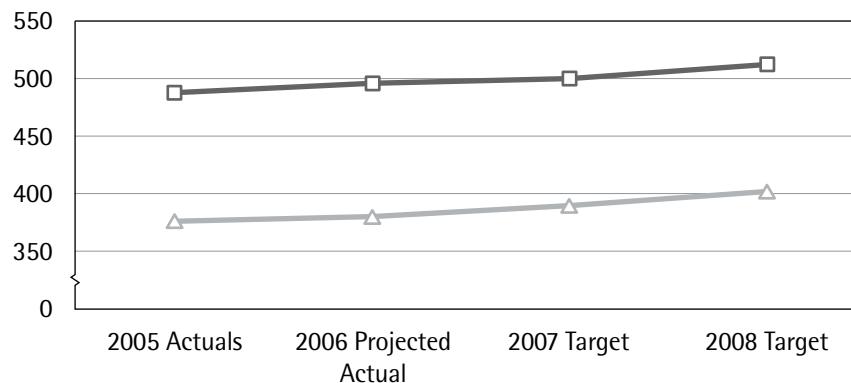
□	No. of Desktops/Laptops	18,016	19,869	20,266	20,671
△	No. of Mailboxes	18,491	18,893	19,838	20,830

INFORMATION AND TECHNOLOGY

Requests for Application Development & Number of Application Maintained

The number of requests for new applications and/ or significant new functionality is increasing. As new applications are developed the annual maintenance continues to increase.

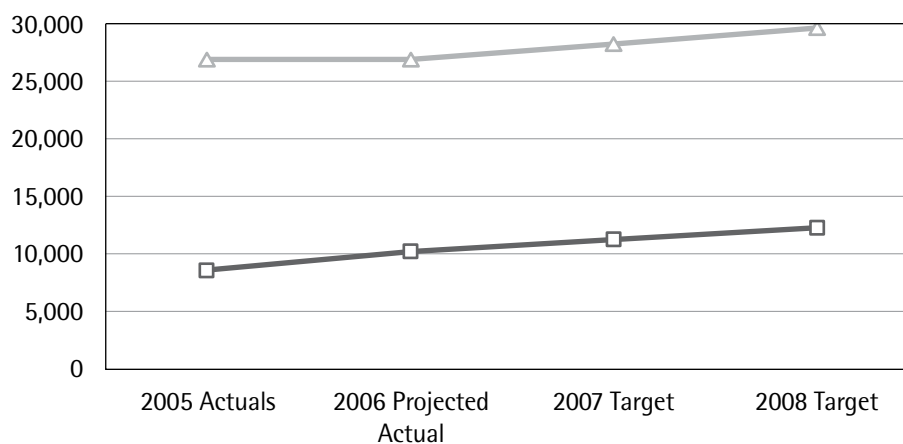
Requestst for Application Development and Number of Business Applications Maintained



■	No. of Requests	488	495	500	510
▲	No. of Applications Maintained	375	380	390	400

Number of Wireless Devices and Telephone Lines

Number of Wireless Devices and Telephone Lines



■	No. of Wireless Services	8,600	10,238	11,262	12,388
▲	No. of Telephone Lines	26,808	26,774	28,113	29,518

The number of wireless devices and telephone lines used are increasing.

INFORMATION AND TECHNOLOGY

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget provides funding for Information and Technology to provide optimal IT products, services and training, and to establish and maintain a reliable and robust technical environment with the highest possible levels of availability, performance, and security. It also allows for the implementation of the IT Governance and Transformation to enable the City to meet strategic and service delivery targets and continue working toward the eCity vision of "Local government – anywhere, any time, for everyone."

2008/2009 OPERATING BUDGET OUTLOOK

Corporate I & T will focus its activities on:

- Building eCity: Leveraging IT to Drive City Service and Operational Effectiveness Improvements
- Providing a High Performance Technology Infrastructure
- IT Service Delivery Excellence
- Completing the IT Transformation

Work will commence towards implementation of an architecture-based eCity Strategic Plan, which will continue to increase the capabilities of information technology to directly support the City of Toronto's business goals and to increase the use of information technology to better engage and provide services to the community. As the technology infrastructure investment grows due to increased use of IT/eCity to directly and indirectly service City's constituents, the ongoing cost to support (e.g. labour, and hardware / software maintenance contracts) this technology will increase as well. Corporate I & T often pay for technology costs that result in business benefits for program areas.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completed a number of projects to ensure the security and state of good repair of the City's network and computing infrastructure and application systems, including the eCity Strategic Plan, the Integrated Geospatial Technology, Applications Response, Webtrends Integration, and the Telecom Management system

FIVE-YEAR STRATEGIC OBJECTIVE

- To continue with the emphasis on ensuring that the City has a secure, high performance technology infrastructure and systems environment that is maintained in a state of good repair and can be flexible enough to responsively adapt to changing business priorities
- To ensure that technology enablers are established for the City to continuously improve and operate more effectively and efficiently
- To ensure a good state of repair on the City technology and information assets

INFORMATION AND TECHNOLOGY

2007 CAPITAL BUDGET HIGHLIGHTS

Total 2007 Cash Flow is \$14.460 million

- \$7.086 million for application systems
- \$4.387 million for corporate planning and management
- \$2.987 million for technology infrastructure

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The 2007-2011 Capital Plan addresses the need to improve the City's network and computing infrastructure, business applications and data integration environment, and the City's website to make it easier to navigate and take advantage of new technology.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Application Systems	2,923	1,034	420	0	-	4,377
Corporate Planning & Management	2,925	2,911	2,367	2,024	3,510	13,737
Technology Infrastructure	2,420	1,987	1,314	309	-	6,030
Total Previously Approved	8,268	5,932	4,101	2,333	3,510	24,144
New						
Application Systems	4,163	3,553	852	-	-	8,568
Corporate Planning & Management	1,462	528	606	393	550	3,539
Technology Infrastructure	567	1,003	-	-	-	1,570
Total New	6,192	5,084	1,458	393	550	13,677
Total Information & Technology	14,460	11,016	5,559	2,726	4,060	37,821

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service cost, and for additional maintenance charges and licensing fees once project implementation is completed.

INFORMATION AND TECHNOLOGY SUSTAINMENT

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

The City's end-of-lease deployment of desktops computer equipment was completed in 2005, however, due to procurement issues, the server/storage deployments were not completed until 2006. In addition, a significant effort was required in 2006 to complete project documentation and other administrative activities, such as invoice processing.

In 2006, the replacement of computer assets in the initial 2006-2010 Sustainment Plan commenced, with 97% assets (typically purchased in 2001/2) replaced. These included:

- desktops/laptops and peripheral equipment such as printers and scanners (In addition, the monitors which were not replaced during TELS were replaced in 2006, with completion expected in 2007.)
- servers/storage equipment
- network equipment
- security equipment

FIVE-YEAR STRATEGIC OBJECTIVE

The continued emphasis of Corporate I & T's Five-Year Sustainment Capital Program is to ensure that the City's technology assets are replaced at the end of their established lifecycles to ensure a secure, high performance technology infrastructure and systems environment that is maintained in a state of good repair, and can be flexible enough to responsively adapt to changing business priorities.

The Five-Year Capital Plan would provide a stable source of funding for routine replacement of technology assets that are older than four years, including servers, printers and other peripherals.

2007 CAPITAL BUDGET HIGHLIGHTS

2007 will focus on replacing server, desktop and network technology assets purchased in the 2002-3 timeframe, depending upon the lifecycle of the asset. Exceptions include:

- monitors (As stated above, the final replacement of the 1998-2002 vintage monitors will occur in 2007.)
- voice mail system replacement (This asset is 10-years-old and has reached/exceeded the end of its useful life.)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The five-year Sustainment Reserve Plan is based on a number of key assumptions:

- Unit prices are estimated based on mid-year 2006 pricing. While price reductions in technology were evident in past years, it is expected that there will be minimal price reductions in the future (however higher performance equipment will be provided at similar pricing).
- Some cascading of equipment may allow the extension of some high-end equipment to lower end requirements.

INFORMATION AND TECHNOLOGY SUSTAINMENT

- Some general smoothing of the "spike" in desktop/laptop implementation seen in TELS in 2005 will be undertaken; however, given the number of desktops/laptops replaced in 2005, the plan shows a reduction in units replaced in 2006-7, with lifecycle replacements being heavier in 2008-2010.
- The TELS charter was to replace only defective desktop monitors in 2005. These monitors have achieved their useful life and newer standards have improved ergonomics and energy requirements. A cathode ray tube (CRT) monitor replacement program was undertaken in 2006.
- The server replacement schedule is relatively smooth over the five-year period, although it again ramps up in 2009-2010 as the units replaced through TELS in 2004-2005 reach the end of their useful life.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
New						
Technology Asset Refresh	13,402	-	-	-	-	13,402
Total New	13,402	0	0	0	0	-
Total Sustainment	13,402	0	0	0	0	-

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

There are no operating impacts on the Information and Technology Operating Budget.

ASSET INVENTORY

- The Information & Technology asset inventory is based on assets that are presently under the control of Corporate I & T. These include:
 - > desktops and laptops that were replaced or re-imaged under the Technology End-of-Lease Strategy
 - > printers, scanners and related peripherals
 - > servers and storage equipment in the Don Mills Data Centre
 - > network equipment (routers, switches, hubs, etc.)

BACKLOG ANALYSIS

The I & T Sustainment Program replaces equipment as it becomes obsolete. No backlog exists.

OFFICE OF THE CHIEF FINANCIAL OFFICER

MISSION STATEMENT

The Office of the Chief Financial Officer (CFO) ensures effective use of the corporation's financial resources by providing sound financial management and advice; maintaining financial controls; developing and implementing effective financial strategies; and providing timely, accurate and efficient services to divisions, agencies, boards, commissions and the public.

2006 KEY ACCOMPLISHMENTS

- recipient of two prestigious awards for the City's Long-Term Fiscal Plan:
- the Award for Excellence from the Government Finance Officers Association (GFOA) of the United States and Canada
- a Silver Award from the Public Sector Quality Fair
- recipient of the Distinguished Budget Presentation Award from the GFOA of the United States and Canada for the 2005 Financial Annual Report and 2006 Budget Summary document
- comprehensive review of reserves and reserve funds which provided \$160 million to support the 2006 Operating Budget
- produced the 2006 Operating Budget, and the 2006 Capital Budget and 2007 - 2011 Capital Plan within Council's target
- negotiated final settlement of the two remaining site-specific appeals, allowing the Development Charges Bylaw to remain unmodified with revenue projections exceeding \$300 million over its life
- implemented Finance and Administration Review in Internal Services resulting in operating budget savings of \$543 thousand
- completion of Program Reviews for selected Internal Services Divisions
- developed an integrated capital financial plan inclusive of long-term debt strategies
- development of mid/long term financing strategies and policies
- continued development and implementation of new Financial Planning process
- continued negotiations for funding partnership with other orders of government
- development of policies for the application of new municipal financial tools, in accordance with the City of Toronto Act and other provincial legislation

2007 PROGRAM OBJECTIVES

Key objectives for this group of divisions in 2007 will be:

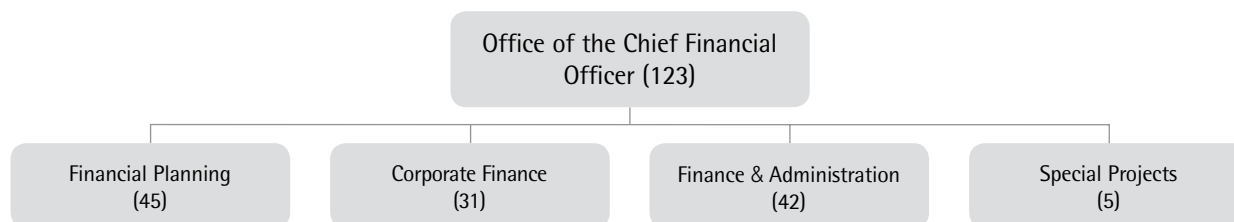
- to improve the long-term financial sustainability of the City of Toronto by:
 - > managing debt in a manner that balances the amount of debt service costs against the need to provide services and service levels demanded by the public;
 - > keeping the property tax rate increases at or below the rate of inflation or other Council direction
 - > ensuring that the City maintains a favourable bond rating
 - > managing the City's unfunded liability to ensure liquidity in the long term

OFFICE OF THE CHIEF FINANCIAL OFFICER

- implement a multi-year Program and Service Based Budget Process
- manage specific initiatives including:
 - > new revenue and related policies:
 - > research and recommend application of new revenues using new City of Toronto Act powers
 - > support negotiations for share of growth revenues from the provincial and federal governments (e.g. income and/or sales taxes)
 - > support discussions regarding phase-out of municipal funding responsibility for social assistance, social housing, ambulance (partial), public health (partial)
 - > develop strategies for managing the use of non-recurring revenue sources, e.g. reserve funds
 - > update a long-term financial forecast to identify status of fiscal imbalance, updating for gas tax, other revenue changes
- Comprehensive Capital Financing Strategy
 - > comprehensive review of innovative and alternative capital financing tools available through the new City of Toronto Act and pending new debt and investment regulations
- undertake all aspects related with the introduction of a new development charges bylaw
- support for the implementation of a new comprehensive section 37 agreements tracking, monitoring and reporting system
- participate in a number of major, ongoing site-specific projects:
 - > the multi-lateral contribution and cost-sharing agreements for the Spadina Subway Extension and the redevelopment of the West Don Land and the East Bayfront
 - > the preparation of a new business plan for Union Station
 - > the project, management and team agreements for the National Soccer Stadium
 - > the financial analysis and negotiation of agreement for a new conference centre at Exhibition Place
 - > the development of financing plans for various options related to the future of the Gardiner Expressway

PROGRAM MAP

Office of the Chief Financial Officer is comprised of four services, with a total staffing complement of 123 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- continued development and implementation of new Financial Planning process
- completion of Program Reviews for selected Internal Services Divisions
- updating of mid/long term financing strategies and policies

OFFICE OF THE CHIEF FINANCIAL OFFICER

- continued negotiations for funding partnerships with other orders of government
- development of policies for the application of new municipal financial tools in accordance with the City of Toronto Act and other provincial legislation

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget	
				\$	%
Salaries & Benefits	11,924.9	11,444.0	12,373.0	448.1	4
Materials & Supplies	132.3	86.4	121.6	(10.7)	-8
Equipment	112.5	51.2	62.3	(50.2)	-45
Services & Rents	774.3	606.5	720.6	(53.7)	-7
Contributions & Transfers	34.7	34.7	34.7	0.0	0
Others (Includes IDCs)	236.8	199.7	234.2	(2.6)	-1
Total Gross Expenditures	13,215.5	12,422.5	13,546.4	330.9	3
Funded by					
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves / Reserve Funds	1,048.8	913.3	1,082.5	33.7	3
Other (Includes IDRs)	2,225.9	2,006.0	2,495.6	269.7	12
Total Non-tax Revenues	3,274.7	2,919.3	3,578.1	303.4	9
Net Budget	9,940.8	9,503.2	9,968.3	27.5	0
Approved Positions	122.0	122.0	123.0	1.0	1

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Finance & Administration	8,520	7,731	4,630	4,285	4,630	4,285	0	0.0	-	0.0
Corporate Finance	3,333	1,449	3,537	1,449	3,680	1,477	143	4.0	28	1.9
Financial Planning	4,409	3,592	4,602	3,759	4,670	3,759	68	N/A	-	N/A
Special Projects	426	426	447	447	567	447	120	26.7	(0)	(0.1)
Total Program Budget	16,688	13,198	13,216	9,941	13,546	9,968	331	2.5	28	0.3

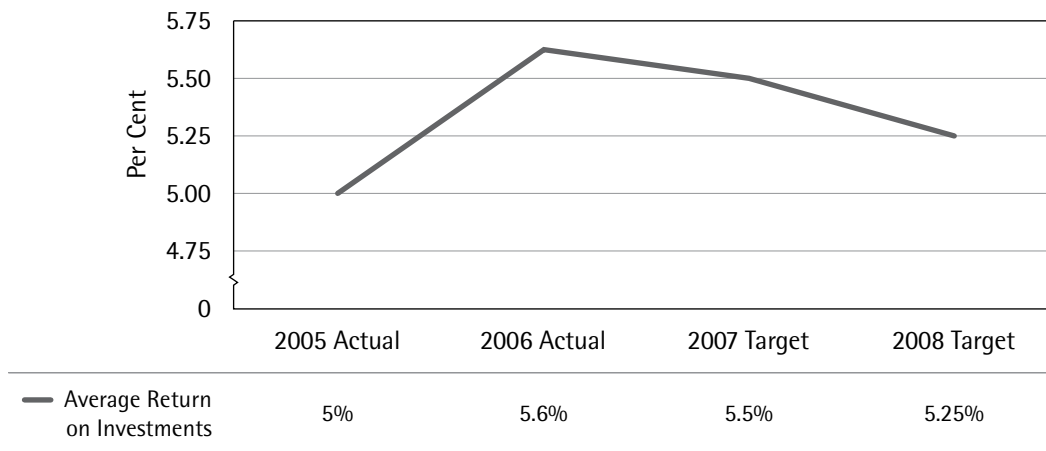
OFFICE OF THE CHIEF FINANCIAL OFFICER

KEY PERFORMANCE MEASURES

Efficiency Measure

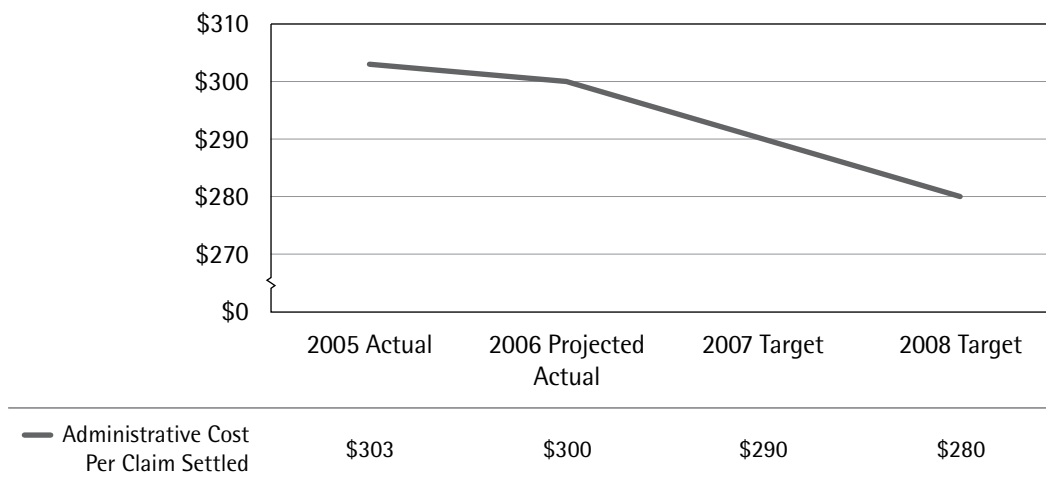
The 2006 investment returns forecast reflects the higher interest rate environment in Canada through 2006 to date. Capital Markets are currently anticipating a trend to higher interest rate in 2007 and a moderation effect in 2008. Therefore, the City is forecasting slightly lower returns for 2007 and 2008.

Average Return on Investments



Measures ratio of insurance claims adjusting fees paid per insurance claims opened and closed.

Administrative Cost Per Insurance Claim Settled



OFFICE OF THE CHIEF FINANCIAL OFFICER

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- funding for the continued development and implementation of a new Financial Planning process and the New Development Charges system at the same time focusing on improving services to all City programs
- continued development and implementation of the multi-year Financial Planning process based on the City's new governance model
- continued negotiations for funding partnerships with other orders of government
- complete program reviews for selected Internal Services Divisions
- development of mid/long-term financing strategies and policies
- development of policies for the application of new municipal financial tools in accordance with the City of Toronto Act and other provincial legislation
- support Strategic Asset Management and other corporate policies and processes

2008/2009 OPERATING BUDGET OUTLOOK

- The Office of the Chief Financial Officer will continue to partner with City programs to deliver excellent public service while continuing to ensure Toronto's financial sustainability.
- managing specific initiatives including new revenue and related policies, a comprehensive Capital Financing Strategy, a review of innovative and alternative capital financing tools available through the new City of Toronto Act and pending new debt and investment regulations
- providing research and support for establishment of new financial partnerships and continued negotiation of mid and longer-term funding partnerships with other orders of government
- maintaining and improving the City's financial assets, fiscal health and services by providing information, analysis and recommendations to develop and implement performance based operating and capital budgets
- providing financial analysis, negotiations and advisory services in a number of major, ongoing site-specific projects including the Spadina Subway Extension, redevelopment of the West Don Land and East Bayfront, Union station and the waterfront renewal. (The division is also involved in the development and administration of all activities associated with the introduction of a new Development Charges Bylaw. A dedicated resource to assist in managing this initiative is included in this recommended budget.)

2007 CAPITAL BUDGET

See Financial Services on page 293 for a summary on the 2007 Capital Budget and Five-Year Capital Plan for the Office of the Chief Financial Officer.

OFFICE OF THE TREASURER

MISSION STATEMENT

The Office of the Treasurer provides effective financial services to divisions, agencies, boards and commissions by ensuring accurate and timely pension, payroll and benefit services; procurement and materials management services; accounting, banking and accounts payable services; and billing, collection and payment processing services related to property taxation, water and sewage services and parking tags.

2006 KEY ACCOMPLISHMENTS

- received a Silver Award at the Public Service Quality Fair for the Vendor Early Payment Discount Project
- received Council approval for new sick leave plan for management/non-union employees
- implemented Electronic Call Distribution Process
- completed PMMD Warehouse & Stores Rationalization Review and implementation of the approved project recommendations started
- Accounts Receivable credit & collection protocols policies and procedures approved
- developed and implemented Request for Proposal (RFP) template
- negotiated an agreement with EPO Inc. (i.e. e-post) for the electronic water bill presentment and delivery services
- completed Time Entry System (TES) Replacement Project-Phase I, replacing TES functionality with SAP functionality
- streamlined and strengthened contract signing procedure by assisting the Legal Services Division in developing criteria and guidelines that outline the circumstances in which a formal contract is required and when a standard contract template is to be used/executed by divisions (for straight forward purchases, and where there is no negotiation involved with respect to the terms and conditions in the bid document)
- developed a framework for an alternative dispute mechanism for parking tickets in conjunction with Court Services and the City Solicitor's office
- re-designed and implemented revised parking ticket business processes to accommodate the roll out of hand-held parking ticket issuance devices

2007 PROGRAM OBJECTIVES

Key objectives for the program in 2007 focus on:

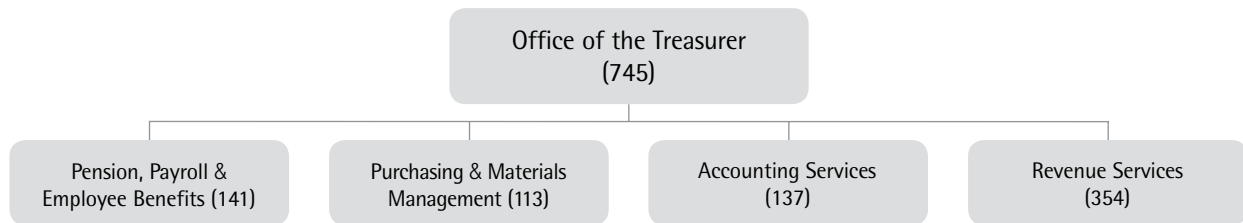
- Improving Service:
 - > implement harmonized sick leave plan for management/non-union employees
 - > implement Fixed Area Network project in partnership with Toronto Water
 - > complete program review for Accounting Services
 - > implement the Document and Workflow Management pilot project
- Strengthening Internal Controls:
 - > implement PMMD Warehouse & Stores Rationalization recommendations

OFFICE OF THE TREASURER

- > begin implementation of Public Sector Accounting Board (PSAB) Capital (fixed) Asset Accounting requirements
- > continuous improvement of vendor payment processing

PROGRAM MAP

Office of the Treasurer is comprised of four services, with a total staffing complement of 745 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

A key direction for the division in 2007 will be to improve service and to strengthen internal controls. Major initiatives that started in late 2006 and in 2007 will be completed during the 2008 and 2009 period. These include:

- completing the replacement of the Time Entry System (TES) with SAP in order to harmonize all attendance time entry, payroll information, system security and upgrades to one system
- continuing review of business processes on an end-to-end basis to ensure the most effective and efficient processes and internal controls are in place
- supplying all divisions and designated agencies, boards and commissions of the City of Toronto with the best value and service possible for public monies spent, at all times maintaining the highest standards of business ethics in our dealings with suppliers
- promoting improved client services and supplier relations
- providing an efficient process to pay on a timely basis and to provide vendors with a central point of contact to follow up their accounts with the City
- providing general purpose financial statements that are free from material error and that comply with generally accepted accounting standards (GAAP) as recommended by the Canadian Institute of Chartered Accountants (CICA), Public Sector Accounting (PSAB) and provincial legislation
- providing corporate policies, standards and procedures with respect to financial internal controls over billing, cash collection and disbursements, accounting and reporting policies and procedures, CCRA (Revenue Canada) tax policy and the costing of city services
- reviewing and implementing updated property assessment values and tax policies for 2006, including system and process modifications to meet new legislative requirements and/or City bylaws
- redesigning business processes to accommodate the introduction of hand-held ticket writers that enhance the efficiency and effectiveness of the Parking Tag operation.
- implementing new water billing and collection processes including system modifications

OFFICE OF THE TREASURER

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	48,660.7	47,154.3	52,579.1	3,918.4	8
Materials & Supplies	1,770.0	1,570.5	1,795.5	25.5	1
Equipment	116.8	126.2	116.8	0.0	0
Services & Rents	9,258.7	9,332.4	8,819.4	(439.3)	-5
Contributions & Transfers	723.4	725.7	714.6	(8.8)	-1
Others (Includes IDCs)	2,628.2	5,913.8	2,668.9	40.7	2
Total Gross Expenditures	63,157.8	34,822.9	66,694.3	3,536.5	6
Funded by					
User Fees	2,020.7	2,193.0	2,959.3	938.6	46
Reserves / Reserve Funds	324.6	1,035.9	1,194.0	869.4	268
Other (Includes IDRs)	29,275.5	31,181.3	30,582.1	1,306.6	4
Total Non-tax Revenues	31,620.8	34,410.2	34,735.4	3,114.6	10
Net Budget	31,537.0	30,412.7	31,958.9	421.9	1
Approved Positions	731.0	731.0	754.0	14.0	2

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Pension, Payroll Employee & Benefits	10,727	9,120	11,252	9,645	12,033	10,092	781	6.9	447	4.6
Purchasing & Materials Mgmt	7,564	6,361	8,343	6,630	8,924	6,663	582	7.0	32	0.5
Accounting Services	10,862	8,493	11,119	8,783	11,739	8,837	620	N/A	55	N/A
Revenue Services	31,299	6,352	32,444	6,479	33,999	6,367	1,554	4.8	(113)	(1.7)
Total Program Budget	60,452	30,326	63,158	31,537	66,694	31,959	3,537	5.6	422	1.3

KEY PERFORMANCE MEASURES

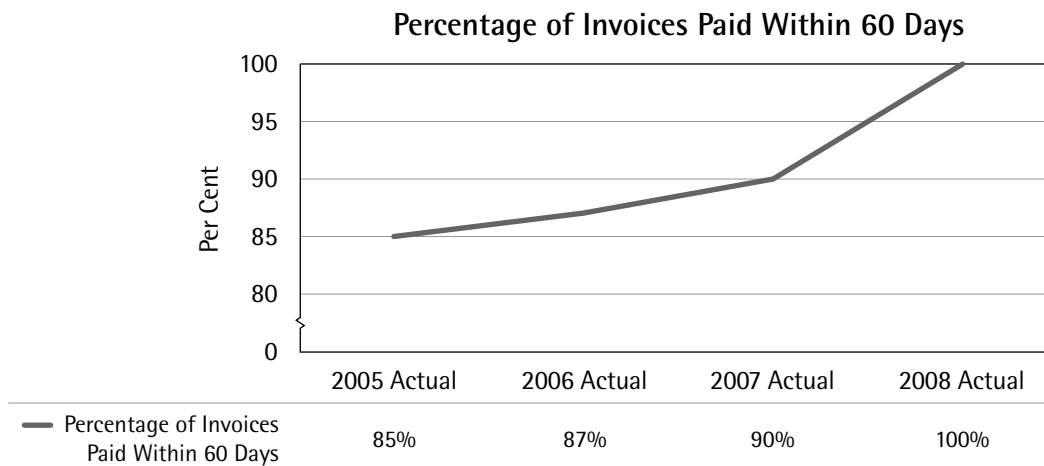
In order to meet the division's goal of paying 100% of vendor invoices within 60 days and to take advantage of all vendor early payment discounts, the division continues to pursue initiatives to improve timeliness and control of vendor payments. The major initiative in progress is the implementation of vendor invoice imaging, as part of the City's larger Document Management System, that will eliminate the need for paper record storage and the approximate 17-day travel time for invoices that are not suited for three-way match.

OFFICE OF THE TREASURER

This imaging initiative combined with the broader use of Pcards and three-way electronic match for invoice approval will not only enable more early payment discounts to be generated but also improve the City's relationship with its suppliers.

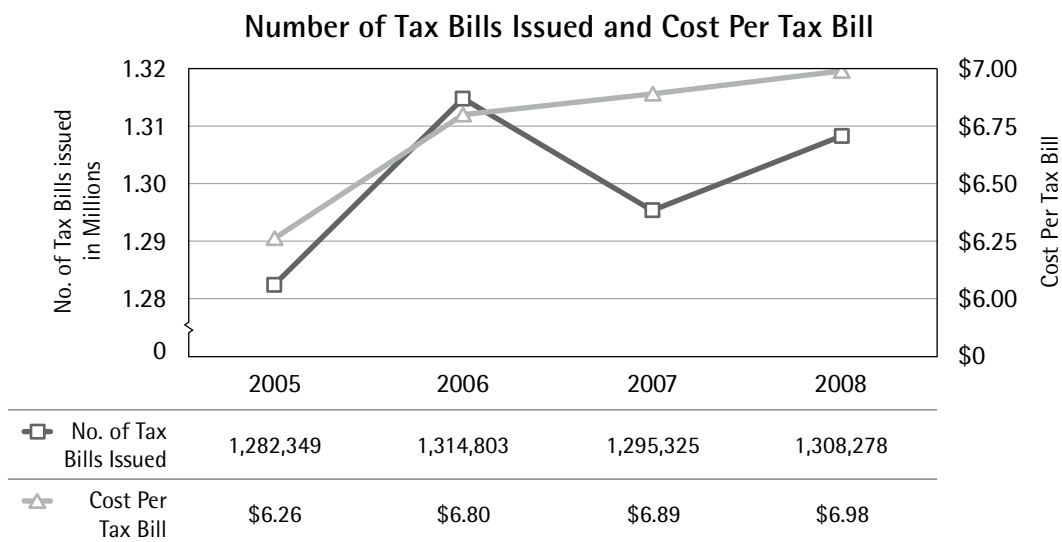
In 2006, approximately 87% (2005: 85%) of vendor payments were processed within 60 days. With the implementation of three-way-match and imaging, it is anticipated that all invoices will be paid within 60 days.

Efficiency Measure



The 2006 increase is due to normal inflationary impacts, primarily in staff salaries and retroactive wage settlements. Targeted costs are expected to increase slightly in 2007 and 2008 to reflect approximate 3.0% anticipated increase in salary and benefit costs, and a 1.0% increase in volume of tax bills issued.

Efficiency Measure



OFFICE OF THE TREASURER

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- implementing a harmonized sick leave plan for management and non-union employees
- implementing a Fixed Area Network project in partnership with Toronto Water to enhance meter reading and reduce errors and complaints (Included in the New Priorities of this budget is a recommendation to hire new in-house temporary staff to read meters in the former municipalities of Scarborough and York until this project is operational in these locations.)
- complete program review of Accounting Services
- for its external customers, the implementation of the Document Management System in Revenue Services and Accounts Payable to improve the response time to taxpayer, water customer and vendor inquiries
- strengthening the internal controls in Accounting Services with continuous improvement in vendor payment processing
- improve the service levels provided to its internal and external customers by implementing the Purchasing and Materials Management Division Warehouse and Stores Rationalization recommendations through the capital budget, and to begin the implementation of the Fixed Asset project to meet the Public Service Accounting Body (PSAB) accounting requirements

2008/2009 OPERATING BUDGET OUTLOOK

It is expected that the major initiatives started in late 2006 and 2007 will be completed during the 2008 and 2009 period. These major initiatives include the capital asset accounting project, the Fixed Area Network for wireless water meter reading (in conjunction with Toronto Water, Document Management (electronic storage and routing of documents) and improvements in e-service across the divisions. Also, during this period the Office of the Treasurer will be working in conjunction with Corporate I & T and the Financial Planning Division on the upgrade to the City's Financial Information and Planning System (SAP).

2007 CAPITAL BUDGET

See Financial Services on page 293 for a summary on the 2007 Capital Budget and Five-Year Capital Plan for the Office of the Treasurer.

PUBLIC INFORMATION AND CREATIVE SERVICES

MISSION STATEMENT

To provide excellent information, services and strategies to ensure the public, members of the Toronto Public Service and national and international communities have a clear understanding of the City of Toronto's programs and services, how they may be accessed and how to participate in municipal government.

2006 KEY ACCOMPLISHMENTS

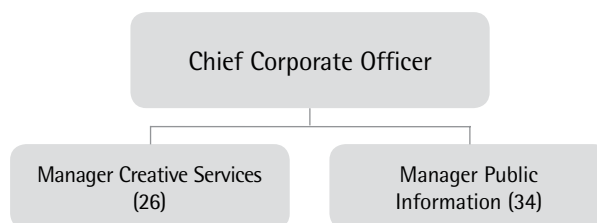
- provided creative, Web and public information support on major projects and issues of interest to residents and business e.g., 3-1-1, Live With Culture, Clean and Beautiful City, 2006 Election, Winter City and Green Toronto
- improved public access to online service with the launch of a new online service portal within the City's website as the first deliverable for the 3-1-1 customer service strategy project
- provided design, Web, public information and event support to the Office of the Mayor
- developed new model for ongoing signage improvements to civic facilities and provided design consultation and developed unique signage systems for Toronto's heritage sites
- expanded the City's multilingual capacity by training divisional and agency staff on services available for communicating City programs and services

2007 PROGRAM OBJECTIVES

- To continue support for key City initiatives by implementing activities and tactics that further the goals of this Council's priorities, and by providing public information and customer service support through telephone and e-mail service.
- prioritise resources to support the ongoing success of the Toronto Corporate Identity Program, Toronto website, staff training and City Communications products through the provision of professional design services
- undergo an organizational review in 2007 to determine how the services provided by Public Information and Creative Services should be structured. (This is the second step of the organizational review of the former Corporate Communications.)

PROGRAM MAP

Public Information and Creative Services is comprised of two services reporting directly to the Chief Corporate Officer, with a total of 60 approved positions for 2006.



PUBLIC INFORMATION AND CREATIVE SERVICES

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- support initiatives to enhance the understanding of Council's priorities, City programs and issues
- develop and implement an integrated governance structure for long-term strategic development of the City's corporate Web presence
- continue development of the City of Toronto online service portal in coordination with the 3-1-1 customer service strategy
- increase accessibility to the City's websites
- continue support for the Clean and Beautiful City initiative

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	4,152.0	4,001.2	4,239.7	87.7	2
Materials & Supplies	77.5	54.7	74.3	(3.2)	-4
Equipment	52.2	33.5	21.3	(30.9)	-59
Services & Rents	394.7	170.3	347.9	(46.8)	-12
Contributions & Transfers	65.0	65.0	65.0	0.0	0
Others (Includes IDCs)	67.0	46.4	17.1	(49.9)	-74
Total Gross Expenditures	4,808.4	4,371.1	4,765.3	(43.1)	-1
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	1.1	0.0	0.0	N/A
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	186.1	83.1	143.1	(43.0)	-23
Total Non-tax Revenues	186.1	84.2	143.1	(43.0)	-23
Net Budget	4,622.3	4,286.9	4,622.2	(0.1)	0
Approved Positions	60.0	60.0	60.0	0.0	0

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Public Information	2,340	2,340	2,495	2,489	2,597	2,514	102	4.1	25	1.0
Creative Services	1,997	1,997	2,314	2,134	2,169	2,109	(145)	(6.3)	(25)	(1.2)
Total Program Budget	4,337	4,337	4,808	4,622	4,765	4,622	(43)	(0.9)	-	0.0

PUBLIC INFORMATION AND CREATIVE SERVICES

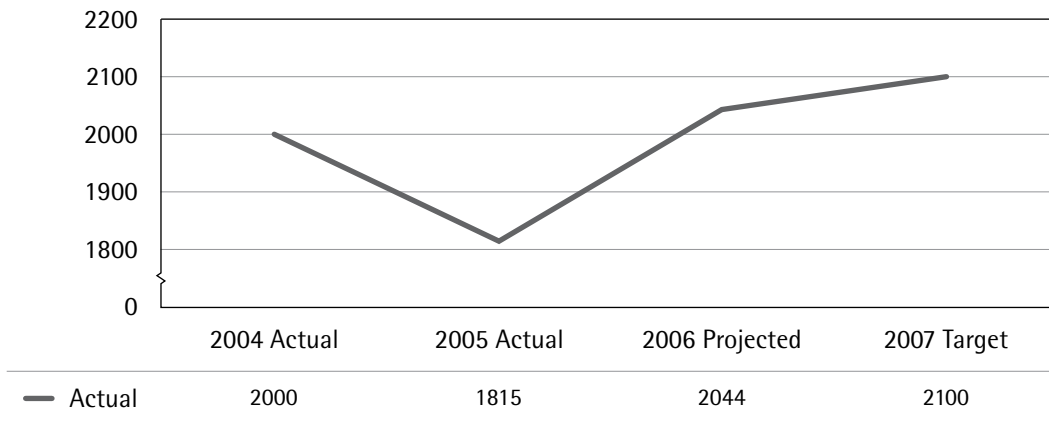
KEY PERFORMANCE MEASURES

Community Impact Measures

Translation:

Promotes immigrants' understanding of and access to City programs and services by expanding City information communicated to residents in the appropriate language.

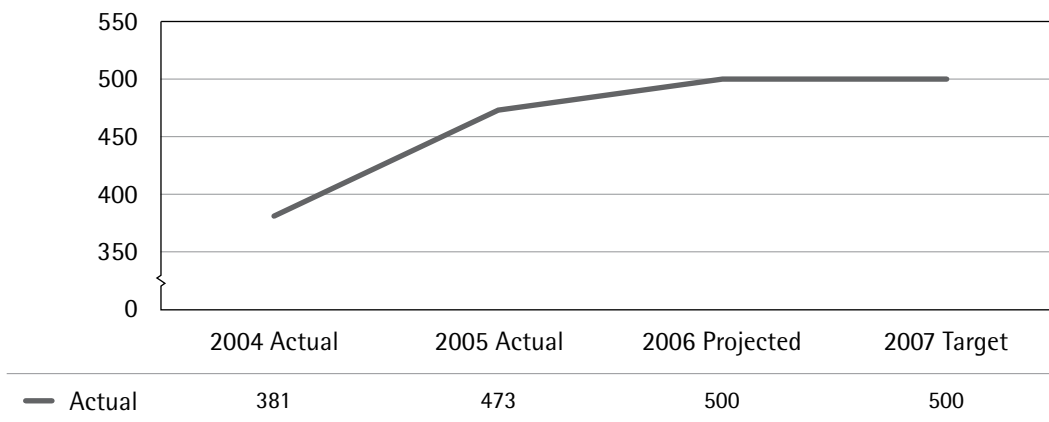
Number of Translation Projects Completed



Education:

To increase student awareness and interest in municipal government by delivering an educational presentation program that introduces Grade 5 and Grade 10 students to the workings of municipal government, encourages active citizenship and satisfies the new curriculum requirements in Civics. (Includes a program geared specifically to ESL students.)

Number of Tours and Presentations Conducted

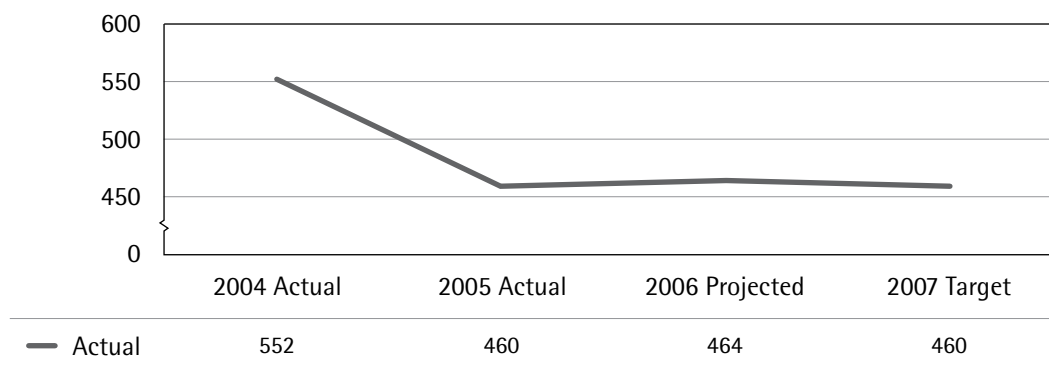


PUBLIC INFORMATION AND CREATIVE SERVICES

Inquiries to Access Toronto

Facilitates access by the public to all municipal services offered by the City of Toronto by providing one point of contact (Access Toronto's Call Centre, email and counter service at City Hall and Civic Centres). The importance of this communications link to the public was evident in 2003 during the SARS outbreak(s) and the hydro blackout when Access Toronto's phone number was widely publicized as a one-stop source of information for residents and businesses about the status of City services. In 2004, Access Toronto assumed the responsibility for registering residents for the Listening to Toronto public meetings.

Number of Inquiries to Access Toronto (000's)



2007 OPERATING BUDGET HIGHLIGHTS

- Public Information & Creative Services' strategic direction over the next three years is to develop and implement an integrated governance structure for the long-term strategic development of the City's corporate Web. Public Information & Creative Services staff are continually developing the City's online service portal in coordination with the 3-1-1 customer service strategy.
- Public Information & Creative Services focus 2007 activities on promoting awareness and understanding of Council's accomplishments and progress made on Council's priorities and on ensuring members of the public and the Toronto Public Service have access to the information they require. Significant resources will be allocated to further supporting work required to establish and build the 3-1-1 service.

2008/2009 OPERATING BUDGET OUTLOOK

Public Information and Creative Services will focus activities in 2008 on promoting awareness and understanding of Council's accomplishments and progress on Council's priorities and on ensuring members of the public and the Toronto Public Service have access to the information. Significant resources will be allocated to continuing work establishing and building the 3-1-1 service.

CITY OF TORONTO

2007
Budget Summary

City Manager



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CITY MANAGER'S OFFICE

MISSION STATEMENT

The City Manager's Office leads the City's administration team, consisting of the City Manager, three Deputy City Managers and the Division Heads, which sets overall broad direction and strategy for the corporation. The City Manager's Office oversees corporate, interdivisional and intergovernmental business activities, responds to the requests and needs of City Council, and provides business, operational and administrative support to the City Manager and the senior management team. The City Manager's Office facilitates the integration of activities of the City's divisions and programs, provides corporate policy advice and guidance to the City Manager and Council, co-ordinates diversity management and healthy city objectives across the corporation, provides risk and business consulting services to senior management to strengthen controls, provides strategic communications advice and planning, develops and delivers the City's Human Resources policies and programs.

2006 KEY ACCOMPLISHMENTS

- led and co-ordinated Toronto's participation in the 2006 process for the Ontario Municipal CAOs Benchmarking Initiative (OMBI) with 14 other Ontario municipalities
 - > facilitated meetings of municipal experts in the areas of Fire, Police, Libraries and Parks and Recreation, culminating in agreement on appropriate performance measures
 - > in concert with City program staff, determined Toronto's 2005 results for over 575 performance measures covering 34 different program areas for comparison to other municipalities
 - > analyzed Toronto's results in relation to other municipalities
 - > determined all financial components of performance measures including an allocation of all program support costs as well as reserve funded expenditures
- participated in the World Bank's initiative to develop indicators of City performance for service delivery and quality of life
- facilitated the establishment of the three joint Working Groups on Renewing Toronto Schools as Integrated Community Facilities with staff of the City, TDSB and TCDSB
- completed governance reviews resulting in changes approved for the 2006-2010 Council term
- managed the briefing and transition activities of the incoming Council following the November 2006 election
- conducted innovative public consultation programs on governance and the 2006 budget
- supported the work of the Bellamy Recommendations Steering Committee
- developed and implemented a new Council – Committee Governance structure
- succeeded in achieving enactment of a new City of Toronto Act that provides Toronto with broad powers of a government and, uniquely in Ontario, takes Toronto out of the scope of the Municipal Act
- completed Canada-Ontario-Toronto-AMO (Association of Municipalities of Ontario) agreement for transfer of federal funding for transit
- negotiated and completed a Toronto-Ontario-Canada Memorandum of Understanding on Immigration and Settlement
- enhanced the public appointments process

CITY MANAGER'S OFFICE

- developed and coordinated the program review framework and designed a corporate performance measurement pilot
- co-ordinated the work of six council advisory bodies addressing policy issues on access, equity and human rights issues; completed the corporate status reports on equity action plans and the Accessibility Plan and produced new tools for program implementation within the TPS
- contributed to community capacity through funding support to 70 community partners, backed up with hands-on clinic/information sessions and risk management support activities;
- provided support from a risk and control perspective on corporate initiatives (i.e., 3-1-1 project, Inventory Stores Rationalization project)
- provided risk and controls advice to Divisions (i.e., HR file review, unfair hiring practices, 2006 municipal election, divisional fraud action plans)
- supported the 2006 World Aids Conference with media relations.
- designed processes for developing cluster-wide succession management programs, and assisted implementation of succession management
- initiated comprehensive occupational health and safety audit process

2007 PROGRAM OBJECTIVES

Strategic Direction & Leadership

- mission and mandate clearly articulated with specific objectives and success factors outlined for every Program/Service; and to ensure that they meet Council approved directions
- an Administration committed to Service Quality and cost effectiveness, and promotes Teamwork and open communication
- responsibility, accountability and leadership for performance and improvement communicated throughout the organization
- ensure that the administration at all levels are open and encourage public participation and input

Organizational Management

- Fiscal & Financial Accountability – demonstrate improved accountability for management of taxpayers dollars
- HR & Labour Relations - increase overall morale of City Administration at all levels and improves relationship with Local 79 and 416

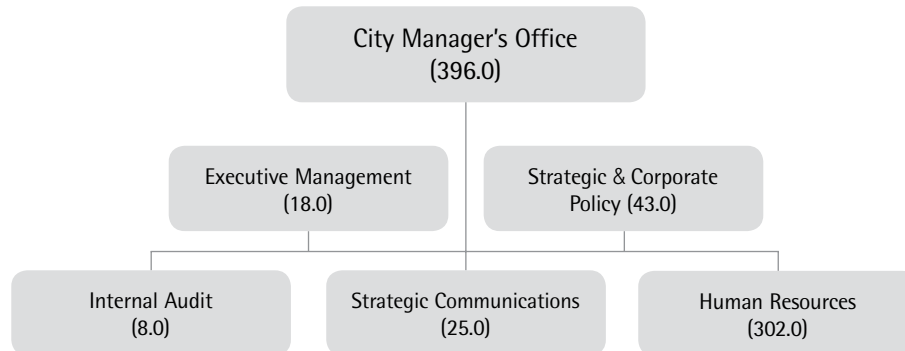
Others

- forge new relationships with federal & provincial governments
- undertake key corporate initiatives such as, Municipal Performance Measurement Program (MPMP), Ontario Municipal CAOs Benchmarking Initiative (OMBI), and communications plan for Clean and Beautiful City, etc.
- establish close relationships and accountability between the City and its agencies, boards, commissions and corporations

CITY MANAGER'S OFFICE

PROGRAM MAP

City Manager's Office is comprised of five services, with a total staffing of 396.0 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- implement the City of Toronto Act (COT Act) and new governance structure
- develop Corporate Strategic Communications Plan for the City of Toronto and the communication policies required to support its implementation
- monitor and track implementation status of Auditor General's recommendations
- implement new HR structure and refocused HR mandate
- World Bank – participate in pilot project (with 8 other Cities in North and South America) to develop global indicators of municipal service performance and quality of life indicators for cities around the world

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	32,502.5	33,551.1	35,819.4	316.9	1
Materials & Supplies	373.6	242.9	301.3	(72.3)	(19)
Equipment	120.6	105.4	127.4	6.8	6
Services & Rents	2,893.0	2,790.0	2,770.2	(112.8)	(4)
Contributions & Transfers	76.9	76.9	77.0	0.1	0
Others (Includes IDCs)	551.9	490.2	495.8	(56.1)	(10)
Total Gross Expenditures	39,518.5	37,256.5	39,591.1	72.6	0
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	40.0	30.0	30.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	2,546.3	2,190.9	2,423.7	(122.6)	(5)
Total Non-tax Revenues	2,546.3	2,230.9	2,453.7	(92.6)	(4)
Net Budget	36,972.2	35,025.6	37,137.4	165.2	0
Approved Positions	396.0	367.0	396.0	0.0	0

CITY MANAGER'S OFFICE

2007 OPERATING BUDGET BY SERVICE

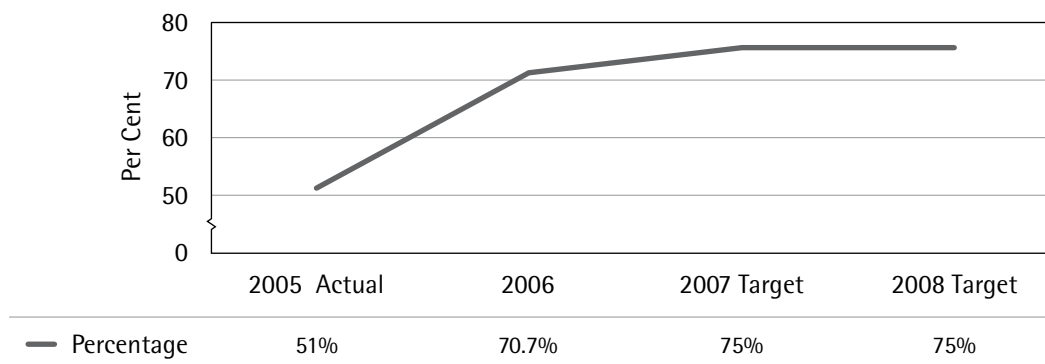
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Executive Management Office	1,581.6	1,581.6	2,061.0	2,061.0	2,072.3	2,072.3	11.3	0.5	11.3	0.5
Strategic & Corporate Policy	3,890.6	3,890.6	3,979.4	3,979.4	4,005.5	4,005.5	26.1	0.7	26.1	0.7
Internal Audit	717.6	422.6	978.5	447.0	984.7	412.4	6.2	0.6	(34.6)	(7.7)
Strategic Communications	2,536.3	2,479.3	2,728.2	2,548.2	2,658.6	2,609.7	(69.6)	(2.6)	61.5	2.4
Human Resources	28,188.6	26,377.8	29,771.4	27,936.6	29,870.1	28,037.5	98.7	0.3	100.9	0.4
Total Program Budget	36,914.7	34,751.9	39,518.5	36,972.2	39,591.2	37,137.4	72.7	0.2	165.2	0.4

KEY PERFORMANCE MEASURES

Due to the one-off project nature of work done by the City Manager's Office, it is difficult to identify quantifiable performance measures to properly reflect operations of the Office. The impact of much of the policy work conducted by the City Manager's Office is generally realized in the community years after the implementation of the policy decisions. The cause and effect relationship poses further challenge to the development of cost-effective, time-related performance measures.

During the 2006 budget process, as was indicated by the City Manager, staff explored the possibility of developing alternative performance measures. In doing so, a review of a number of other municipalities in Canada, Australia, New Zealand and the United States indicated that the offices of the City Manager or Chief Administrative Officer in these municipalities do not report statistical data for the work specifically done by staff within their offices.

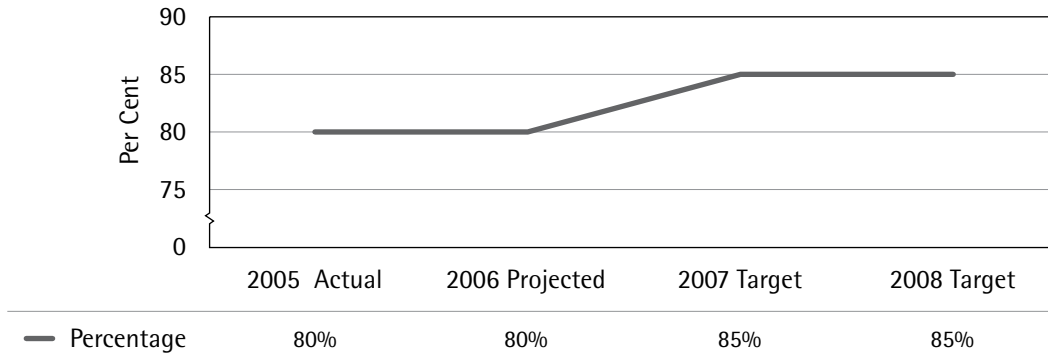
Percentage of Directives Received and Cleared Within the Same Calendar Year



Due to the project-oriented nature of the work, this statistical information helps to determine workload and allows effective allocation of resources to respond to demand. The rate at which directives are cleared supports measurements of efficiency. However, this is not a reliable measurement as directives vary in their level of complexity. Also, if directives are received late in the year it likely will not be cleared before year-end.

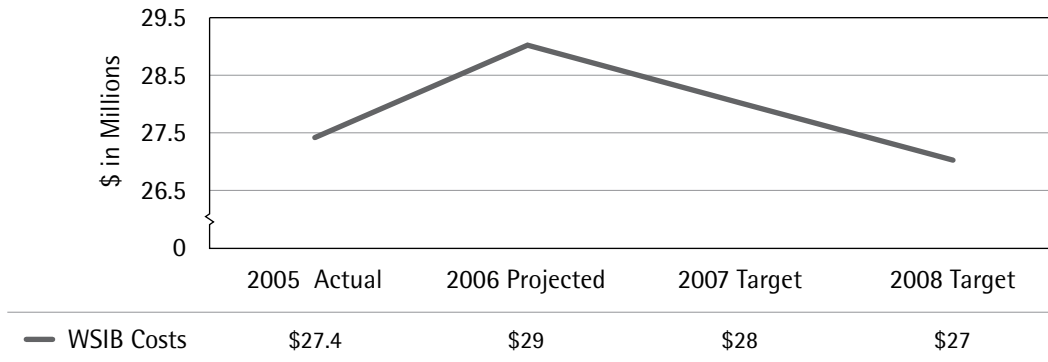
CITY MANAGER'S OFFICE

Percentage of Audit Recommendations Implemented



The purpose of tracking this measurement is to measure the efficiency at which service is provided.

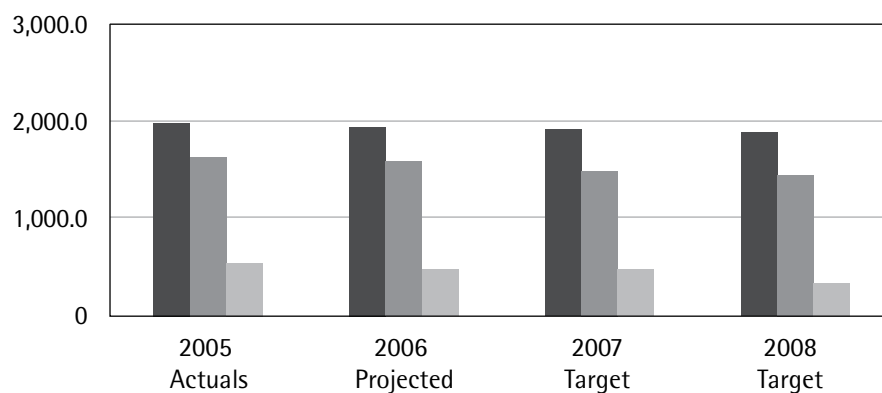
WSIB Costs in \$ Million



The above chart depicts the Workplace Safety and Insurance costs to the City including loss of earnings, health care costs, survivor benefits, pensions, physician's fees and administration fees. Rising health care costs and increased recognition of occupational disease by the Workplace Safety and Insurance Board are significantly increasing the costs associated with lost time injury and occupational disease claims. Through health and safety continuous improvement initiatives, enhanced prevention efforts and timely return to work, Human Resources will continue working with divisions to achieve reductions in the number of work related injuries and illnesses and associated costs

CITY MANAGER'S OFFICE

WSI Claims Management Activities



■ Lost Time Injuries	1,943.0	1,900.0	1,860.0	1,820.0
■ Medical Aids	1,653	1,600	1,450	1,315
■ Recurrences	501	450	400	355

The 2006 figures have been projected based on the actual figures for the first eight months of 2006. The 2007 projection for lost time injuries is decreased in anticipation of results arising from continuous improvement initiatives. These initiatives are still being developed but may include supervisory training – accident investigation, task hazard analysis, increased focus on health and safety at all management meetings, etc

Grievance Activity/Resolution

Grievance Steps	Grievance Activity-2005	Grievance Activity-2006
	as at June 30, 2005	as at June 30, 2006
	Resolved by Step	Resolved by Step
Step 2	114 (18%)	217 (47%)
Step 3	476 (73%)	184 (40%)
Arbitration	57 (9%)	59 (13%)
Total Resolved	647	460

The total number of active grievances at Step 3 and Arbitration has continued to improve. The total number outstanding as of December 31, 2005 was 1,126 and as June 30, 2006 the number had reduced to 1,076. The above table demonstrates the percentage of total grievance activity resolved at each step for 2005 compared with activities as at June 30, 2006. The same level of activity is anticipated for 2007. A strategic goal is to resolve grievances at the earliest possible stages. Once the backlog is reduced and the unit is handling recent grievances only, it is anticipated that the majority of grievances will start to be resolved at step 2.

CITY MANAGER'S OFFICE

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will maintain the 2006 Service Level. In addition, the program will accomplish the following key priorities:

- implement the City of Toronto Act and new governance structure
- implement a focused, priority-driven intergovernmental relations function
- monitor and track the implementation status of the Auditor General's recommendations by City programs
- develop a Corporate Strategic Communications Plan for the City of Toronto and the communication policies required to support its implementation
- implement new Human Resources structure and refocused HR mandate
- establish close relationships and accountability between the City and its agencies, boards, commissions and corporations
- continue key corporate initiatives such as, Municipal Performance Measurement Program (MPMP), Ontario Municipal CAOs Benchmarking Initiative (OMBI), and communications plan for Clean and Beautiful City, etc.
- participate in a pilot project (with 8 other Cities in North and South America) to develop global indicators of municipal service performance and quality of life indicators for cities around the world

2008/2009 OPERATING BUDGET OUTLOOK

In addition to maintaining the 2007 Services during 2008 and 2009, the City Manager's Office, will focus on accomplishing the following key strategies:

- implement a Corporate Strategic Communications Plan
- implement a comprehensive Human Resources Plan for 3-1-1: Recruitment options, employee and labour relations issues, training and change management and employee communications
- lead labour and management to jointly achieve a culture of continuous improvement and develop continuous improvement plans and processes with Toronto Fire Services
- complete negotiations with the Toronto Professional Fire Fighters' Association, Local 3888 using an interest-based approach
- lead the corporate Health and Safety continuous improvement initiative, committed to the target of a zero injuries workplace
- continue to ensure that the administration at all levels is open and encourages public participation and input
- support the Mayor and council in monitoring and reporting on the Mayor's and Council's priorities
- monitor and ensure that an effective working relationship and accountability is maintained between the City and its agencies, boards, commissions and corporation

2007 CAPITAL BUDGET

The City Manager's Office has no capital budget.

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CITY OF TORONTO

2007
Budget Summary

Other City Programs



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CITY CLERK'S OFFICE

MISSION STATEMENT

The City Clerk's Office provides the foundation for an accessible, accountable and available government. As the foundation, the City Clerk's Office makes local government possible for Council, the public and staff. It elects Council, manages Council decision-making processes, makes information accessible to the community, and supports Council offices.

2006 KEY ACCOMPLISHMENTS

- managed and conducted the 2006 Municipal Election and Council Transition, with more than 99% of results available by 9p.m on election day and no court challenges to results
- Despite 39% increase in number of Freedom of Information requests, CCO staff responded to 86.1% within 30 days compared to 82.9% in 2005.
- developed New Procedures Bylaw and introduced new report formats
- undertook organization reviews in Secretariat and Records and Information Management
- implemented phase 1 Meeting Management Initiative
- contributed to the governance review and foundation work in advance of the new City of Toronto Act
- continued delivery of core services

Please refer to the City Clerk's Office 2006 Annual Report

(<http://www.toronto.ca/divisions/pdf/city-clerk/cco-annual-report-2006.pdf>) for further details.

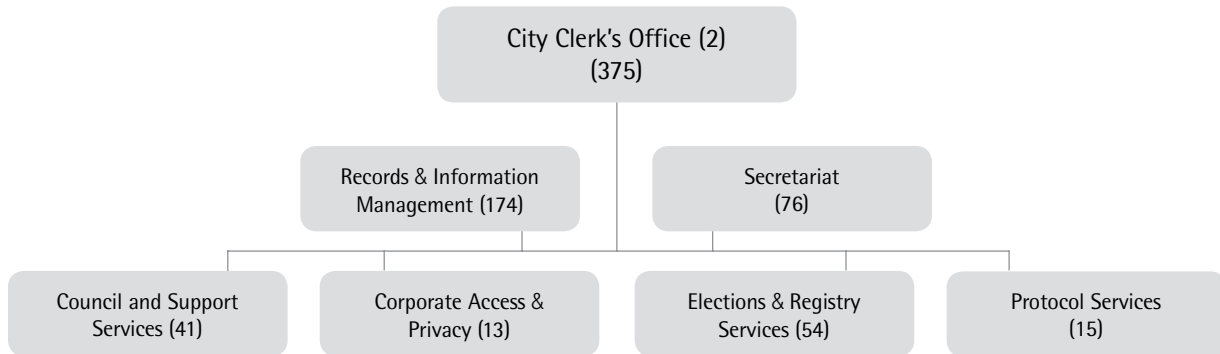
2007 PROGRAM OBJECTIVES

- manage the legislative process of City Council as well as bylaw management
- provide printing, reproduction, and distribution services
- issue marriage licences and register births and deaths in accordance with the Marriage Act and the Vital Statistics Act, and manage the wedding chambers
- develop and administer standards and services in records and information management
- develop and implement programs to comply with the Municipal Freedom of Information and Protection of Privacy Act
- manage the City's Protocol services
- conduct impartial, non-partisan regular elections as well as by-elections for positions on City Council and the City's school boards
- provide budgetary, administrative and information technology support to the Mayor's Office, Councillors' Offices, Office of the Integrity Commissioner, and Lobbyist Registrar

CITY CLERK'S OFFICE

PROGRAM MAP

The City Clerk's Office is comprised of six services, with a total staffing complement of 375 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- support Toronto's transition to a mature order of government:
 - > City of Toronto Act
 - > new Planning Act requirements
 - > delegated decision-making to Community Councils
 - > new procedures
 - > new governance structure
 - > accountability framework
- ensure smooth implementation of delegated decision making to Community Councils
- enhance public's accessibility to information and provide corporate leadership and stewardship in information management
- undertake comprehensive 2006 election review, including voters' list
- support corporate initiatives including customer service improvements, joint counter service review and e-City initiative
- enhance fiscal accountability of printing and distribution services
- substantially complete Meeting Management Initiative, including the meeting monitor system, for faster decision documents, easier to follow agendas/reports and greater public accessibility to reports and documents
- provide corporate clear language and report writing training to more than 800 City staff
- actively participate in Ontario Municipal Benchmarking Initiative
- enhance service levels to advance the Mayor's mandate on civic engagement

CITY CLERK'S OFFICE

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	31,495.6	29,507.8	28,819.4	(2,676.2)	-8
Materials & Supplies	2,385.7	2,210.5	1,845.5	(540.2)	-23
Equipment	472.3	411.4	75.4	(396.9)	-84
Services & Rents	11,491.9	12,010.3	9,018.6	(2,473.3)	-22
Contributions & Transfers	401.5	427.3	2,598.7	2,197.2	547
Others (Includes IDCs)	2,408.2	2,469.2	1,943.5	(464.7)	-19
Total Gross Expenditures	48,655.2	47,036.5	44,301.1	(4,354.1)	-9
Funded by					
User Fees	501.0	395.6	390.1	(110.9)	-22
Reserves/Reserve Funds	5,235.8	3,345.7	73.9	(5,161.9)	-99
Other (Includes IDRs)	12,322.1	12,879.6	12,437.1	115.0	1
Total Non-tax Revenues	18,058.9	16,620.9	12,901.1	(5,157.8)	-29
Net Budget	30,596.3	30,415.6	31,400.0	803.7	3
Approved Positions	380.8	380.8	375.0	(5.8)	-2

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Secretariat	7,555	7,001	7,623	7,092	7,729	7,557	106	1.4	465	6.6
Records/Information Mgmt	20,420	8,160	21,777	9,193	21,274	9,291	(503)	(2.3)	98	1.1
Council & Support Services	2,327	1,827	4,285	3,645	4,459	4,031	175	4.1	387	10.6
Corp. & Access Privacy	1,313	1,263	1,604	1,554	1,504	1,454	(100)	(6.2)	(100)	(6.4)
Elections & Registry	7,771	203	11,901	7,646	7,841	7,572	(4,061)	N/A	(74)	(1.0)
Protocol	1,454	1,454	1,466	1,466	1,495	1,495	29	2.0	29	2.0
Total Program Budget	40,838	19,907	48,655	30,596	44,301	31,400	(4,354)	(8.9)	804	2.6

Notes:

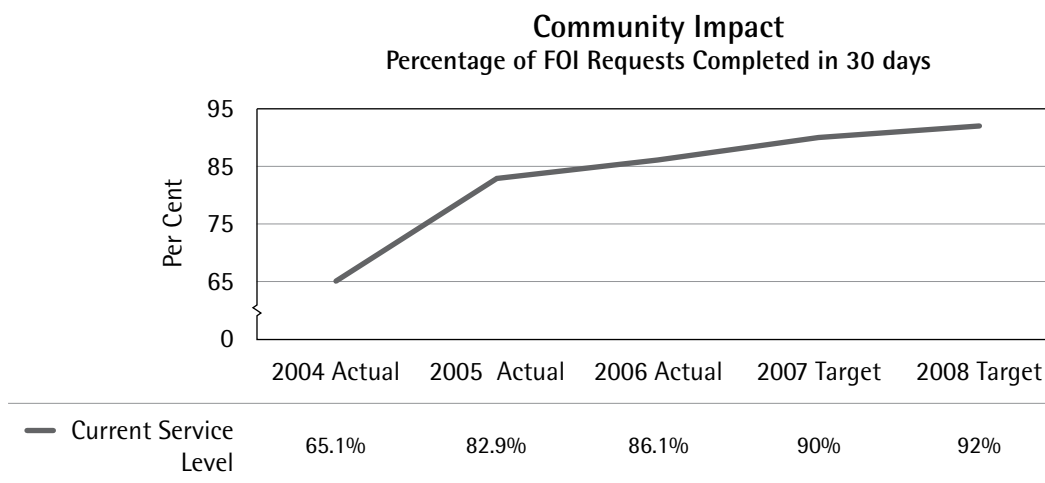
1. Gaming, Registry and Contract Elections Revenue budgets were transferred to Non-Program in 2006 to insulate the City's governance budget from market fluctuations
2. Eighteen staff and related budgets were transferred in 2006 from Finance & Administration Division as a result of the organizational review

CITY CLERK'S OFFICE

KEY PERFORMANCE MEASURES

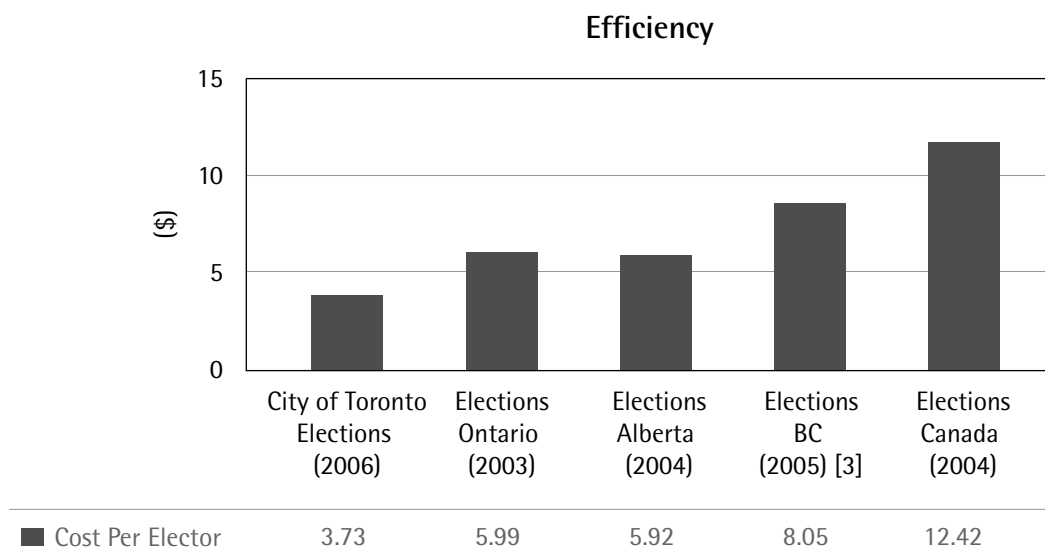
Freedom of Information (FOI) Compliance Rate

Despite a 38.7% increase in FOI requests from 2005 and without increase in staffing, compliance with legislative requirements to respond to FOI requests within 30 days increased to 86.1% from 82.9% in 2005.



Cost per elector

Toronto Elections has lower cost per voter compared to most elections institutions in Canada.



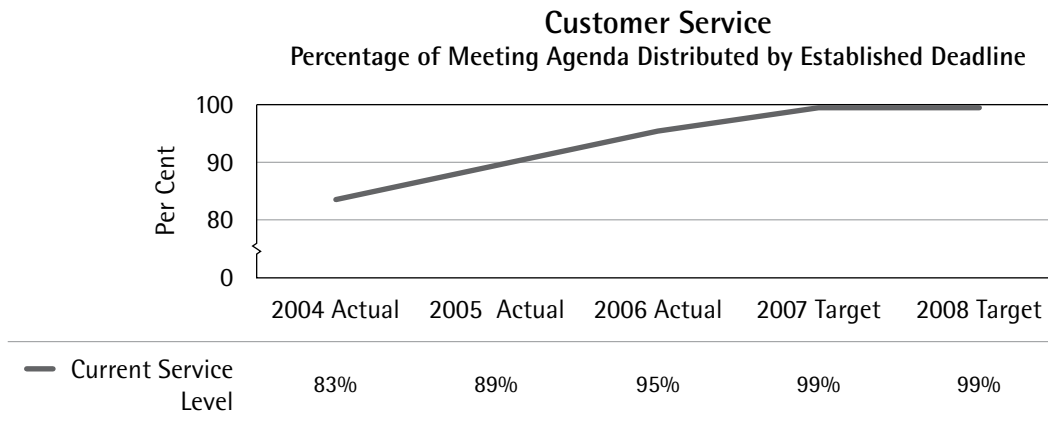
Notes:

1. www.electionsontario.on.ca/usr/files/election_report_2003_en.pdf
2. www.electionsalberta.ab.ca
3. British Columbia has a voter registration system
 - www.elections.bc.ca/elections/ceoreport05
 - www.elections.bc.ca/general/aboutEBC.htm
4. www.elections.ca

CITY CLERK'S OFFICE

Percentage of on-time distribution of main meeting agenda

Through staff redeployments and strategic process improvements, new efficiencies are being realized in key aspects of meeting management. In 2006, 95% of meeting agendas were distributed "on time", continuing the trend from the previous years.



2007 OPERATING BUDGET HIGHLIGHTS

- The 2007 Operating Budget will allow the City Clerk's Office to continue to be the foundation of an accessible, accountable and available government and to deliver its core services. It includes provision of harmonized polling for the City, an election budget based on a non-election year, and reduction of \$0.613 million in cost efficiencies.

2008/2009 OPERATING BUDGET OUTLOOK

- The impacts of the City of Toronto Act and governance changes on City Clerk's Office resources are still unknown. A year's experience with the implementation of the new governance structure and the new committee meeting schedule will provide a clearer picture on staffing requirements for 2008 and onwards.
- The City Clerk's Office will continue to explore opportunities to structure its organization, update systems and processes through the use of modern technologies, find more effective and efficient service delivery approaches, and equip staff to support effective governance in the City of Toronto. The City's financial constraints, however, have impacted the City Clerk's Office ability to meet the increasing demand on its services. Maintaining service capacity is a major challenge while service demands continue to increase.

CITY CLERK'S OFFICE

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- replaced a printing Press with 19% savings by tapping the auction market
- rolled out the Electronic Financial Filing System for Election Candidates
- successfully advanced the Council Automation and Meeting Management Initiative with the implementation of the procedures bylaw and the first phase of the Toronto Meeting Management Information System

FIVE-YEAR STRATEGIC OBJECTIVE

Priority will be given to completing existing projects within the timeframe committed such as the Council Automation and Meeting Management (Phase 2) and to finding a suitable relocation site for the Offset Printing Facility. Continuing priority will also be given to capital investments to comply with legislative requirements and to address outstanding health and safety issues. Critical to sustaining service delivery is the need to maintain facilities and equipment in a state of good repair. As well, investments that will have positive impacts on client service, operations, management decision-making and compliance with provincial mandatory requirements will continue to be pursued in the medium term.

2007 CAPITAL BUDGET HIGHLIGHTS

Total 2007 Cash Flow is \$4.280 million including:

- \$2.770 million for the relocation and retrofit of the Offset Printing facility
- \$0.750 million for the second phase of the Council Automation and Meeting Management Initiative
- \$0.410 million for the Records and Information Management's Council Vital Records, Business Classification and Retention, Order Picker, and Archives Facility Upgrade projects
- \$0.250 million for the Print Shop's Bindery/Collator replacement.
- \$0.100 million for Electronic Filing System – Gaming and Vital Statistic System Improvement Project

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- to continue addressing essential life cycle replacements including the implementation of the printing equipment replacement plan
- to revitalize technologies used in Records and Information Management, Corporate Access and Privacy and Elections Operation
- to relocate the print shop to a site that addresses technical, health and safety concerns
- to continue the development and implementation of the Council Automation and Meeting Management Systems to meet the needs and demands of Council Members

2007 APPROVED CAPITAL BUDGET

CITY CLERK'S OFFICE

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Council Auto & Meeting Mgmt Initiative	750	200	-	-	-	950
Archives Facility Upgrade	72	60	68	62	130	392
Council Vital Records	138	-	-	-	-	138
Total Previously Approved	960	260	68	62	130	1,480
New Projects						
Bindery/Collator System	250	-	-	-	-	250
Order Picker Lift Truck	50	-	-	-	-	50
Gaming Vital Statistics System Improvement	100	-	-	-	-	100
Business Classification & Retention	150	-	-	-	-	150
Retrofit-Printing Facility Relocation	2,770	2,000	-	-	-	4,770
Total New Projects	3,320	2,000	0	0	0	5,320
Total City Clerk's Office	4,280	2,260	68	62	130	6,800

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is \$0.086 million in 2007 to cover the costs of maintaining the new systems developed as part of the Council Automation and Meeting Management Initiatives.

CITY COUNCIL

MISSION STATEMENT

The Government of the City of Toronto champions the economic, social and environmental vitality of the city. The City strives to provide high quality and affordable services that respond to the needs of our communities and invests in infrastructure to support city building. The City is a leader in identifying issues of importance and in finding creative ways of responding to them.

2006 KEY ACCOMPLISHMENTS

- supported 65 different decision bodies with 382 meetings with 519 meeting agendas
- processed almost 10,000 items (e.g., staff reports and Notices of Motions) during 1,203 in-session hours of meetings
- adopted 1,108 bylaws
- provided 161,000 notices to persons about meetings and agenda items
- received 3,239 speakers to Council's committees
- processed 1,231 applications for citizen appointments to 118 positions on 19 City boards (2007)
- The Secretariat provides services from four locations: City Hall, Scarborough Civic Centre, North York Civic Centre and Etobicoke Civic Centre.
- All City divisions and most City agencies directly interact with the Secretariat as part of the City's decision-making process.
- internet access to Council and Committee schedules, agendas, decisions, reports and minutes
- Web-streaming of Council meetings through arrangement with Rogers TV

2007 PROGRAM OBJECTIVES

- continue to provide high quality affordable services to our community with public participation while maintaining a system of responsible and accountable governance, and to develop the City of Toronto to make it a more desirable place for the community to live in

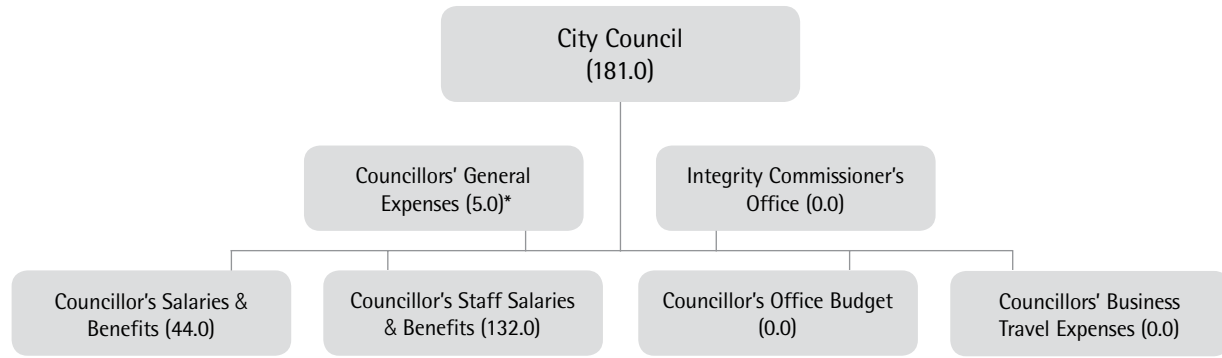
The City Council's Objectives are guided by the following principles:

- advocacy
- community participation
- equity
- effectiveness
- leadership

CITY COUNCIL

PROGRAM MAP

City Council is comprised of six services, with a total staffing complement of 181.0 approved positions.



*Reports to Manager of Council Services

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

The City of Toronto Council sets corporate strategic direction, priorities and policies; authorizes the raising of revenues and approves the expenditures of funds for the provision of services in the City. The Council program provides the administrative and other resources that Councillors require to carry out their duties.

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	Approved Budget %
Salaries & Benefits	15,476.4	16,189.8	16,207.4	731.0	5
Materials & Supplies	1,935.9	130.4	2,070.9	135.0	7
Equipment	76.7	104.9	20.0	(56.7)	(74)
Services & Rents	654.6	1,423.1	688.5	33.9	5
Contributions & Transfers	180.8	180.8	355.8	175.0	97
Others (Includes IDCs)	437.1	470.6	306.6	(130.5)	(30)
Total Gross Expenditures	18,761.5	18,499.6	19,649.2	887.7	5
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	59.7	0.0	0.0	N/A
Total Non-tax Revenues	0.0	59.7	0.0	0.0	N/A
Net Budget	18,761.5	18,439.9	19,649.2	887.7	5
Approved Positions	183.0	184.0	181.0	(2.0)	(1)

CITY COUNCIL

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Councillors' Salaries & Benefits	4,486	4,486	4,650	4,650	5,077	5,077	427	9.2	427	9.2
Councillors' Staff Salaries & Benefits	9,883	9,883	10,127	10,544	10,544	10,544	417	4.1	417	4.1
Councillors' Office Budgets	2,256	2,256	2,256	2,256	2,336	2,336	80	3.5	80	3.5
Councillors' Business Travel Expenses	0	0	0	0	50	50	50	N/A	50	N/A
Councillors' General Expenses	1,690	1,690	1,529	1,529	1,442	1,442	(87)	(5.7)	(87)	(5.7)
Integrity Commissioner's Office	200	200	200	200	200	200	0	0.0	0	0.0
Total Program Budget	18,515	18,515	18,762	18,762	19,649	19,649	887	4.7	886.6	4.7

KEY PERFORMANCE MEASURES

N/A

2007 OPERATING BUDGET HIGHLIGHTS

The City Government advocates the economic, social and environmental vitality of the City of Toronto. The City Council, during 2007, will maintain service levels to constituents at 2006 levels.

2008/2009 OPERATING BUDGET OUTLOOK

The 2008/2009 outlook for the City Council Operating Budget will maintain 2007 service levels continue to:

- advocate the City's needs with other orders of government
- facilitate active participation of community involvement in all aspects of civic life
- respond to and support the diverse needs and interests of its constituents
- safeguard public assets and making efficient use of City resources

2007 CAPITAL BUDGET

The City Council has no Capital Budget.

ENERGY RETROFIT PROGRAM

MISSION STATEMENT

Council's Strategic Plan and the Environmental Plan identify the need to encourage energy efficiency in the City of Toronto's portfolio of facilities. Reduced energy consumption will yield financial savings and environmental benefits to the City. The Energy Retrofit Program (ERP) was started in 2004, with an initial capital investment of \$20 million. Funding is awarded to projects whose total cost savings can be guaranteed in an amount sufficient to cover all costs associated with the energy retrofit project, including debt service charges.

Five projects have been approved for funding from the Phase One budget allocation of \$20.0 million. During the 2006 and 2007 budget processes an additional \$15.0 million (Phase Two) was approved for retrofitting the City's pools and community centres (\$6.0 million), Solid Waste Transfer Stations (1.0 million) and Police Service Buildings (\$2.4 million), as well as an unallocated amount (\$5.6 million) to be used to fund future energy retrofit projects when identified.

PROGRAM OBJECTIVES

- To finance energy retrofit projects in City-owned facilities with the potential for favourable investment returns
- To facilitate achievement of the City's carbon dioxide and energy consumption reduction targets

2006 MAJOR ACCOMPLISHMENTS

- continued implementation of the Phase One projects:
 - > Exhibition Place Tri-generation System
 - > Exhibition Place Buildings Retrofit
 - > Exhibition Place National Trade Centre Lighting
 - > City Arenas Retrofit
- began implementation of energy conservation measures for the Fire Stations (Phase One) and the City's pools and community centres (Phase Two).
- performed preliminary assessment of four Solid Waste Stations and two Police Service Buildings (Phase Two)

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 funding of \$7.103 million gross comprised of \$5.103 million previously approved and \$2.0 million new projects, includes the following:

- Arenas energy and water retrofit projects in the amount of \$0.407 million
- Fire Stations retrofit in the amount of \$0.196 million
- Energy efficiency projects at Community Centres and Pools in the amount of \$4.500 million
- Waster Transfer Stations retrofit at \$1.000 million
- Energy Retrofit of the Police Service buildings in the amount of \$1.000 million

ENERGY RETROFIT PROGRAM

All previously approved energy efficiency and retrofit projects at Arenas, Fire Stations, Exhibition Place and Community Centers and Pools will be completed in 2007, as well as the new retrofit project for Waste Stations.

FIVE YEAR CAPITAL PLAN HIGHLIGHTS

- Funding of \$1.400 million in 2008 is required to complete the energy retrofit of the Police Service buildings.
- The remainder of the approved funding of \$3.400 million in 2008 and \$2.000 million in 2009 will be used to fund future energy retrofit projects when identified.

2007 APPROVED CAPITAL BUDGET

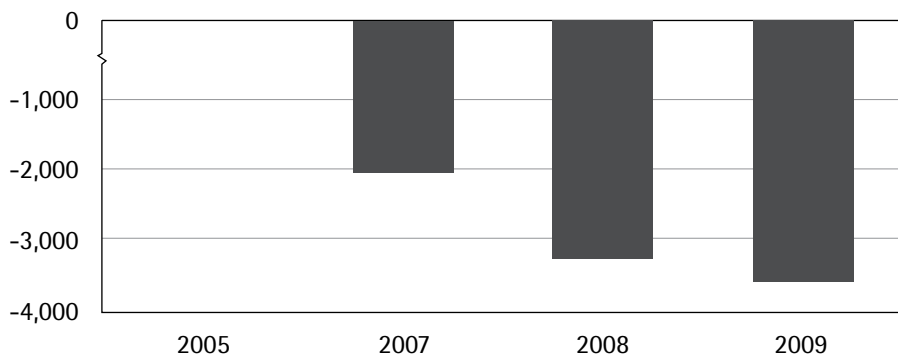
Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Arenas Energy Retrofit	407	-	-	-	-	407
Fire Station Retrofit	196	-	-	-	-	196
Pools & Community Centres	4,500	-	-	-	-	4,500
Total Previously Approved	5,103	0	0	0	0	5,103
New Projects						
Waste Transfer Stations	1,000	-	-	-	-	1,000
Police Service Buildings	1,000	1,400	-	-	-	2,400
Unallocated Amount	-	3,600	2,000	-	-	5,600
Total New Projects	2,000	5,000	2,000	0	0	9,000
Total Energy Retrofit Program	7,103	5,000	2,000	0	0	14,103

ENERGY RETROFIT PROGRAM

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

As a result of this program, energy savings will be realized in the operating budgets of the programs undergoing retrofit work. The savings will be used to pay back the debt required to fund the project. Once the full cost has been repaid, the savings will be reflected in reductions in the operating budgets affected. Anticipated savings for 2007 are \$2.032 million, with incremental impacts of \$1.263 million in 2008 and \$0.300 million in 2009.

Council Approved Capital Budget (2005, 2006 & 2007)
Incremental Net Operating Impact (Exclud. Debt Service Cost)



■ Capital Budget	0	(2,032)	(3,295)	(3,595)
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LEGAL SERVICES

MISSION STATEMENT

To provide the highest quality of legal services to the corporation and to function as a strategic resource to Council, staff and agencies, boards and commissions

2006 KEY ACCOMPLISHMENTS

- City of Toronto Act received Royal Assent on June 12, 2006
- OMB approved the Official Plan (in part) on July 6, 2006; many appeals were settled or withdrawn and negotiations continue to settle remaining appeals
- Save Our St. Clair application dismissed permitting the transit improvement to proceed
- successful before the AGCO re: cancellation of the Dock's Nightclub liquor license
- provided significant resources with respect to the refusal of the City's waste hauler to ship the City's biosolids to Michigan; assisted with the injunction procedures
- provided legal support to City Clerk re: issues arising from Municipal Election

2007 PROGRAM OBJECTIVES

The Legal Services Division seeks to defend and advance the interests of the corporation in a manner that is timely and cost-effective. It will do so by influencing policy decisions in the context of providing independent legal advice, participating in interdisciplinary committees, and providing strategic legal research, advice, opinions, counsel, negotiation and drafting services to facilitate major corporate initiatives. It provides high-quality strategic legal services through the following practice areas:

Employment Law

- effectively represents the City and its Agencies, Boards and Commissions in matters related to employment law.

Municipal Law

- provides expert legal advice, contract drafting and opinions related to various issues dealing with the City's operations.

Real Estate Law

- provides expert legal advice and services in the area of real estate law including purchases, sales, expropriations, leasing and licensing, discharges, tax sales and road closings.

Litigation

- provides expert legal advice and effectively represents and defends the City of Toronto in litigation matters and Charter challenges to City bylaws and actions.

LEGAL SERVICES

Prosecution

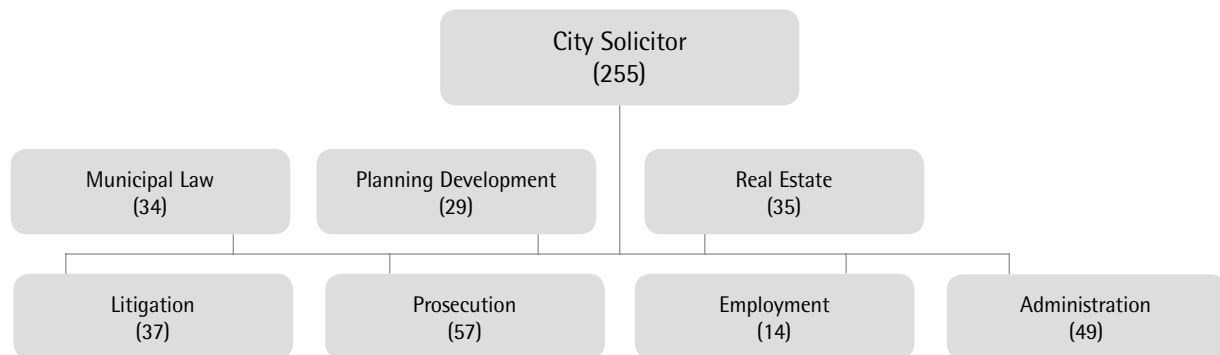
- prosecutes violations of provincial statutes and regulatory bylaws, provides training to City inspectors, and negotiates agreements respecting provincial offences.

Planning & Development Law

- provides expert advice related to planning and development law (Official Plan and zoning bylaws), drafts development agreements and represents the City's interests at the Ontario Municipal Board.

PROGRAM MAP

Legal Services is comprised of seven services, with a total staffing complement of 255 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- Legal Services strategic direction for 2007 will be focussed on providing legal advice as a result of the implementation of the City of Toronto Act. Legal Services will be ensuring that all projects will follow and meet all legal standards.
- Challenges include managing the greater demand for proactive strategic legal advice and services in a timely and effective manner, development of expertise to provide service in the new area of climate change and management of an increasing number of Ontario Municipal Board hearings with the limited available resources.

LEGAL SERVICES

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	26,190.5	24,870.7	27,401.5	1,211.0	5
Materials & Supplies	452.2	428.5	452.2	0.0	0
Equipment	89.6	34.1	67.7	(21.9)	-24
Services & Rents	1,371.2	2,235.7	1,369.9	(1.3)	0
Contributions & Transfers	48.9	279.1	48.9	0.0	0
Others (Includes IDCs)	1,268.0	81.3	2,468.1	1,200.1	95
Total Gross Expenditures	29,420.4	27,929.4	31,808.3	2,387.9	8
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	1,414.7	1,831.9	1,695.0	280.3	20
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	0
Other (Includes IDRs)	8,846.7	7,503.6	10,546.7	1,700.0	19
Total Non-tax Revenues	10,261.4	9,335.5	12,241.7	1,980.3	19
Net Budget	19,159.0	18,593.9	19,566.6	407.6	2
Approved Positions	22.0	252.0	255.0	3.0	1

2007 OPERATING BUDGET BY SERVICE

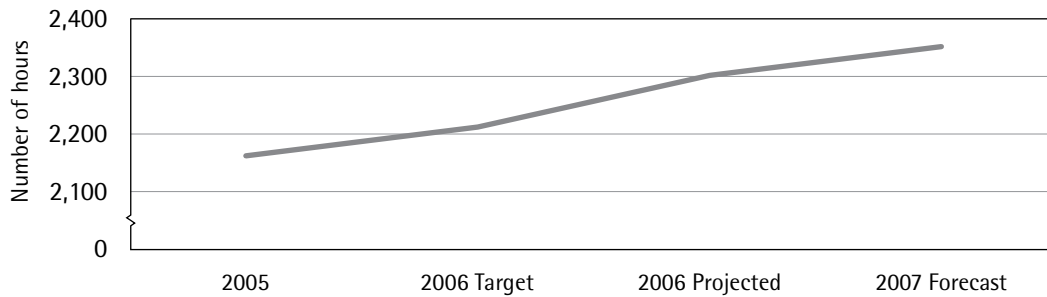
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Municipal Law	4,888	2,660	5,206	2,882	5,183	2,879	(24)	(0.5)	(3)	(0.1)
Planning Development	4,007	3,662	4,179	3,207	4,454	3,333	275	6.6	126	3.9
Real Estate	4,321	3,632	4,398	3,810	4,400	3,509	2	0.0	(301)	(7.9)
Litigation	4,691	3,132	5,197	3,146	5,536	3,241	340	6.5	95	3.0
Prosecution	4,484	1,645	5,866	1,827	7,470	2,141	1,604	27.3	314	17.2
Employment	2,066	2,016	2,217	2,167	2,330	2,280	113	5.1	113	5.2
Administration	1,506	1,269	2,356	2,119	2,435	2,183	79	3.3	64	3.0
Total Program Budget	25,963	18,017	29,420	19,159	31,808	19,567	2,388	8.1	408	2.1

LEGAL SERVICES

KEY PERFORMANCE MEASURES

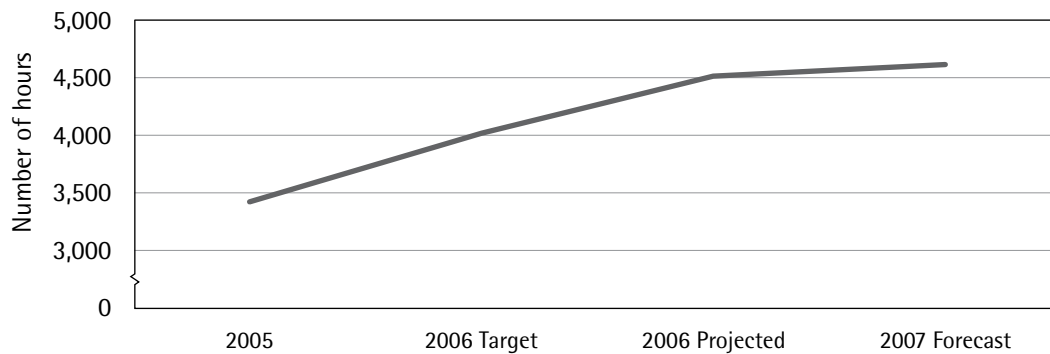
Over 2,200 hours were spent on employment hearings. Increased hours spent at employment hearings means that fewer resources are available to provide legal opinions and day-to-day strategic advice.

Hours Spent at Employment Hearings



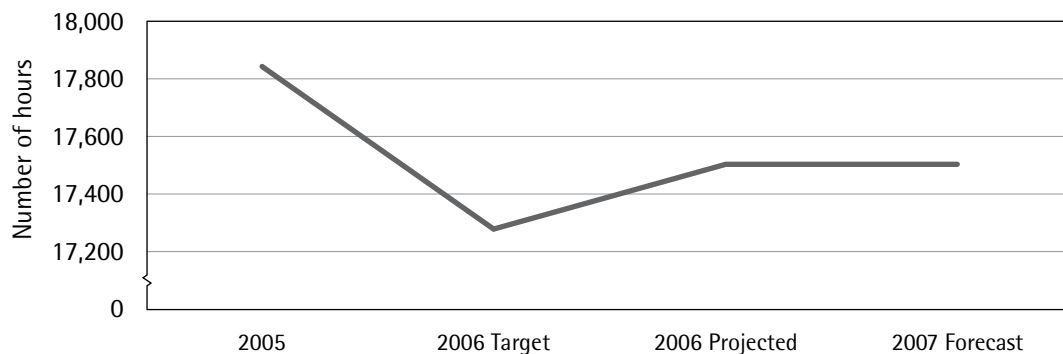
The number, length and complexity of matters appealed to the Ontario Municipal Board continue to increase and as a result, straining resources further. Over 4,078 hours were spent attending OMB and other administrative tribunals.

Hours Spent at OMB and Other Admin. Tribunals



Over 17,265 hours were spent in court on motions, applications, pre-trials and appeals. Legal Services litigated 384 claims against, and 401 claims for, the City of Toronto.

Hours Spent in Court



LEGAL SERVICES

2007 OPERATING BUDGET HIGHLIGHTS

- Legal Services' 2007 Operating Budget will focus on aligning its resources in preparation for the increase in demand for legal advice related to the City's new expanded powers arising from the City of Toronto Act.
- Resources will continue to be prioritized according to the needs and interests of the corporation that will have the most impact to the City it services such as keeping with the intent of the Bellamy Report recommendations that identify Legal Services as a "valuable team member, dedicated to ensuring that projects are conducted according to the law at all times."

2008/2009 OPERATING BUDGET OUTLOOK

- It is expected that significant resources will continue to be required to implement the broad and permissive powers obtained in the new City of Toronto Act. The program is reallocating resources to provide strategic legal assistance in the new area of climate change.

MAYOR'S OFFICE

MISSION STATEMENT

The Office of the Mayor is responsible for leading the City of Toronto in dealings with residents, elected officials, dignitaries and staff. The Mayor's office has a duty to conduct the business of the City in ways that are transparent, open, efficient and inclusive. It is the responsibility of the Mayor to ensure that City Council remains accountable and accessible to the public so that Torontonians can be certain they are receiving the highest possible standard of City services and that Toronto is a city that is prosperous, liveable and provides opportunity for all its residents.

2007 PROGRAM OBJECTIVES

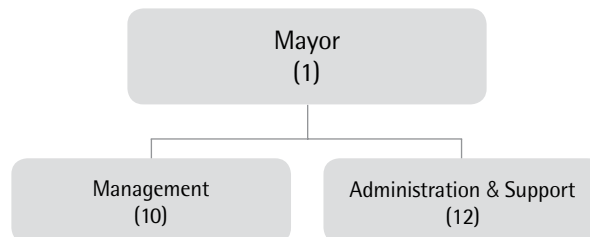
The Mayor's Office will continue the important work of building a great city. With a new City of Toronto Act and a new governance structure, the roles of the Mayor and his Office has changed significantly from previous years. The Mayor presides over meetings, represents the City at official functions, promotes public involvement and represents the City locally, nationally and internationally. The Office of the Mayor supports the Mayor in his role as head of Council and Chief Executive Officer of the City of Toronto. The Office of the Mayor will continue to work to enable Toronto to take its place as one of the world's great cities.

The new focus of the Mayor's Office includes:

- make Toronto a leader in environmental protection and promote sustainable development
- advance the city's agenda with the other orders of government that will provide Toronto with the revenue sources and legislative tools it needs to succeed
- engage residents by increasing the involvement of the public in the processes and decisions of City Hall
- build strong, safe neighbourhoods with clean streets and beautiful parks to give every Torontonian a sense of security and pride

PROGRAM MAP

Office of the Mayor is composed of a single service, with a total of 23 approved positions as follows:



MAYOR'S OFFICE

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

The Mayor's campaign platform document will serve as the blueprint for the operations of this office. The Mayor's mandate is based on six pillars that will form the basis for the priorities of the Mayor and the city at large. The Mayor's Office will continue to bring about the real change and real progress that Torontonians demand. Specific priorities are:

- environmental leadership through the promotion of sustainable development and the creation of the city's first-ever climate change plan
- improvements to public transit to bring reliable, frequent and fast alternatives to automobile use in all parts of the city
- economic strength through a reduction of the tax ratios on businesses and the use of creative incentives as well as a focus on bringing international investment to the city
- safety for all Torontonians through increased investment in young people and expansion of programs designed to give them alternatives to criminal activities
- enhancements to our creative industries and transformation of our public spaces into spectacular people places. A city of opportunity for all where no one gets left behind. (The creation of 1,000 new affordable housing units each year and the continuation of the city's Streets to Homes program will be critical parts of that strategy.)

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	1,688.9	1,582.0	2,092.6	403.7	24
Materials & Supplies	16.0	5.7	26.0	10.0	63
Equipment	3.0	3.1	53.0	50.0	1667
Services & Rents	149.6	191.9	227.6	78.0	52
Contributions & Transfers	9.4	9.4	9.4	0.0	0
Others (Includes IDCs)	19.3	12.7	38.5	19.2	99
Total Gross Expenditures	1,886.2	1,804.9	2,447.1	560.9	30
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	0.0	0.0	0.0	0.0	N/A
Net Budget	1,886.2	1,804.9	2,447.1	560.9	30
Approved Positions	19.0	19.0	23.0	4.0	21

MAYOR'S OFFICE

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Mayor's Office	1,856	1,856	1,886	1,886	2,447	2,447	561	29.7	561	29.7
Total Program Budget	1,856	1,856	1,886	1,886	2,447	2,447	561	29.7	560.8	29.7

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget for the Mayor and his office assumes significant increase in Service Level and responsibilities as compared with the 2006 levels due to:

- the City of Toronto Act and a New Governance Structure
- the Mayor's role as head of Council and Chief Executive Officer of the City of Toronto

2008/2009 OPERATING BUDGET OUTLOOK

The 2008/2009 Outlook for the Mayor's Office will continue to maintain the 2007 Service Levels and continue to:

- provide environmental leadership for the sustainable development and creation of a climate change plan.
- improve public transit as a best alternative to automobile use
- strengthen financial viability of the City
- increase safety for all communities
- enhance creative industries and changing available public spaces into beneficial people places
- ensure creating 1,000 new affordable housing units each year and continuing the city's Streets to Homes program

2007 CAPITAL BUDGET

The Mayor's Office has no capital budget.

NATHAN PHILLIPS SQUARE

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- launch of Nathan Phillips Square Revitalization Design Competition and the competition jury's selection of four short-listed finalists from among 48 submissions
- establishment of Nathan Phillips Square Revitalization Public Advisory Group as approved by City Council

FIVE-YEAR STRATEGIC OBJECTIVE

- implement the revitalization and restoration of Nathan Phillips Square based on the design selected by the competition jury as the winning design for the competition and endorsed by City Council
- undertake a successful fundraising program to seek \$24 million in contributions from other orders of government, the private sector and the business community to implement the project

2007 CAPITAL BUDGET HIGHLIGHTS

- competition jury's selection and announcement of the winning design
- City Council's endorsement of the winning design and approval to award a contract for architectural services to the winning team
- commencing detailed design work and construction planning to implement the winning design for the Square

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- completion of detailed design work and construction planning by mid-2008
- start of phased construction on the square in the third quarter of 2008 for completion of project implementation by the end of 2010

NATHAN PHILLIPS SQUARE

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Nathan Phillips Square	1,550	0	0	0	0	1,550
Total Previously Approved	1,550	0	0	0	0	1,550
Total New Projects	0	0	0	0	0	0
Total Nathan Phillips Square	1,550	0	0	0	0	1,550

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

There are currently no incremental operating impacts associated with this program.

BACKLOG ANALYSIS

Nathan Phillips Square requires significant state of good repair work. The extent and scope of the work will be determined in conjunction with the selected detail plan submitted from the winning team.

UNION STATION

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The West Window of the Great Hall project was completed.
- The West Wing skylight project was completed.
- Union Station received a \$4.4 million commitment in response to its submission for funding under the Federal Government's new Transit Secure program for terrorism specific funding.

FIVE-YEAR STRATEGIC OBJECTIVE

- The 2007 Capital Budget and 2008-2011 Capital Plan is comprised of three major components which include State of Good Repair Projects, Projects Supporting the Union Station District Plan; and Security Upgrades.
- The state of good repair projects included in the Five-Year Capital Plan include replacement of the pedestrian bridge along Front Street; Expansion Joint Replacements, Copper Roof Repairs, Building Condition Assessment and various other repairs. The state of good repair requirements will be reviewed following the building condition assessment to be completed in June 2007 and the revitalization strategy to be provided by September, 2007.
- Two new sub-projects have been included in the Five-Year Capital Plan to support the Union Station District Plan. These are the new South Access Project and the North-West Path Extension Project.

2007 CAPITAL BUDGET HIGHLIGHTS

- The reconstruction of the Pedestrian Bridge along Front Street is to be completed in 2008.
- Phase 1 of the Heritage flooring restoration in the Great Hall will be completed.
- The Union Station District Plan projects include the study for the North-West Extension Project that will be completed in 2007 and the start of the South Access Project that is anticipated to be completed in 2008.
- Tenders for the Security Project will be going out for each of the Security sub-projects and it is anticipated that the Security Centre, Detection Systems, Barriers/Controls and the Responder Communications projects will be ready to start by the end of November, 2007.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- The state of good repair projects include the copper roof repairs, the replacement of the pedestrian bridge project, the expansion joint replacement project and a building condition assessment.
- The Union Station District Plan will improve the public realm surrounding Union Station and supports the recognition of the district as a Heritage Conservation District.
- The south entrance to Union Station and the authority to commence environmental assessments for the creation of a northwest PATH connection.
- A Master Plan Implementation Working Group has been established and will report on a strategy to fund and implement the future District Plan initiatives.

UNION STATION

- The Union Station South Access Project will provide for the construction of a southern entrance to the train station with connections to Harbourfront, the Air Canada Centre and the CN Tower.
- GO Transit is undertaking work that will include the creation of new concourses under the rail corridor and will incorporate the additional work to create the south entrance.
- The North-West Path Extension Project is required to determine the preferred routing for a north-west Path extension and to commence environmental assessments.
- A security strategy for Union Station has been developed as a preventive measure against terrorism and recovery considerations in case of an attack. The current model includes and will implement a 24-hour Security Centre for central monitoring control, a detection system to increase overall surveillance, barriers/controls making unauthorized access more difficult, a passenger evacuation plan to enable passengers to move easily and safely during an emergency, a system upgrade that will allow one radio frequency reserved for emergency use only and emergency plans will be enhanced along with training against terrorism for tenants and employees.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Exterior Façade Repairs	-	819	-	-	-	819
Replace York Street (Expansion Joints)	455	-	-	-	-	455
Replace Pedestrian Bridge along Front Street	831	1,056	-	-	-	1,887
Building Condition Assessment Report	410	-	-	-	-	410
Cooper roof repairs	200	1,239	623	228	-	2,290
Northwest Path Connection	214	-	-	-	-	214
Total Previously Approved	2,110	3,114	623	228	0	6,075
New Projects						
Replace Terazzo Flooring of Great Hall	320	267	108	-	-	695
Union Station-Security	3,995	1,712	-	-	-	5,707
Union Station South Access Tunnel (District Plan)	3,000	3,000	-	-	-	6,000
Total New Project	7,315	4,979	0	0	0	12,402
Total Nathan Phillips Square	9,425	8,093	731	228	0	18,477

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

There are currently no operating impacts associated with this program. However, with the completion of the building condition audit and the development of the Union Station Revitalization work plan, future operating impacts will be reviewed during the 2008 budget process.

UNION STATION

ASSET INVENTORY

Following the completion of the Building Condition Assessment, it is anticipated that an asset inventory list will be developed.

BACKLOG ANALYSIS

State of good repair backlog for Union Station is not known at this time. A building condition assessment will be conducted in 2007 and the results will identify any work required to restore Union Station to a state of good repair.

CITY OF TORONTO

2007

Budget Summary

Council Appointed



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AUDITOR GENERAL'S OFFICE

MISSION STATEMENT

To be recognized as a leading audit organization, respected by our clients and peers for excellence, innovation and integrity, in supporting the City of Toronto to become a world class organization

2006 KEY ACCOMPLISHMENTS

- completed key priority audit projects over significant operational areas of the City having 179 recommendations to improve controls and benefit the City through savings and reduced costs
- implemented and completed the first formal follow-up process to ensure the Auditor General's audit report recommendations to City divisions, issued since amalgamation, have been appropriately implemented
- continued the operation of the City's Fraud and Waste Hotline Program
- successfully completed the first external Peer Review of the Auditor General's Office in accordance with Government Auditing Standards, the first of its kind by an audit office in Canada

2007 PROGRAM OBJECTIVES

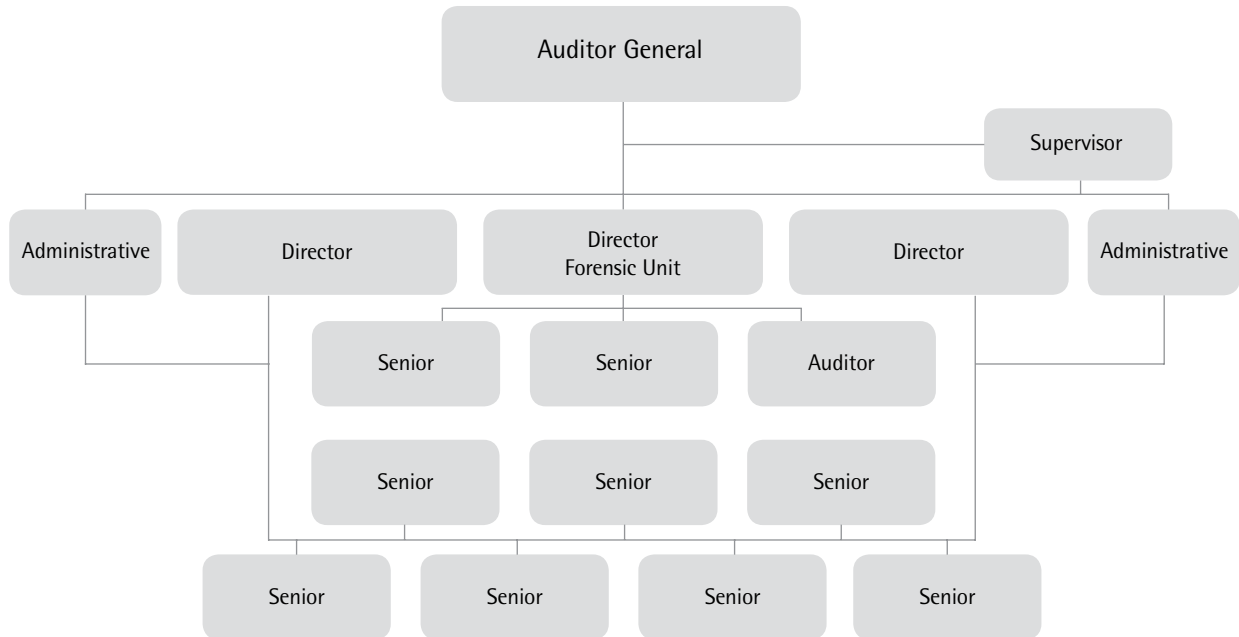
The Auditor General, in addition to the development of a risk-based Audit Work Plan, has developed the following objectives for 2007:

- ensure that adequate organizational supports and quality assurance measures are in place for ongoing successful peer reviews of the Auditor General's Office
- complete and report on the formalized follow-up process related to recommendations made in prior audit reports with respect to agencies, boards and commissions. (This systematic formal follow-up process will be completed annually as part of the Annual Audit Work Plan to ensure timely follow-up to audit recommendations.)
- ensure that communication and co-ordination of audit resources with the external auditors to ensure efficient and effective use of these resources. (In 2007, the Auditor General's Office will issue a Request For Proposal to initiate a new service agreement for external audit services for a five-year period to commence in 2008.)
- communicate with other entities including restricted local boards, Toronto Police Services, Toronto Public Library, Toronto Board of Health and other entities such as the Toronto Transit Commission to monitor issues and audit work that impacts the City
- increase the use of information technology by staff in carrying out audits. (Such technology to include the use of the data extraction program called ACL; continue to communicate with other North American audit organizations that operate ACL in order to maximize the value of the program to the audit process.)
- implement a proactive process to identify key "red flags" for the detection of potential fraud or abuse, which will lead to the implementation of reports to be run on a regular basis to provide early identification of potential fraud or abuse
- ensure that all Auditor General's Office staff have the necessary technical and management skills as well as a knowledge of City operations, to effectively carry out their duties and responsibilities

AUDITOR GENERAL'S OFFICE

PROGRAM MAP

The Auditor General's Office has a total staffing complement of 29 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- directing the use of audit resources through the 2007 Audit Work Plan based on a priority setting risk assessment exercise to focus on value for money reviews in those areas which potentially pose the greatest risk or provide the greatest value/return to the City
- complete the formal follow-up process for City Local board audit recommendations and the annual follow-up for City divisional audit recommendations from 2006 and prior audit reports
- complete a long-term Strategic Staffing plan for the Auditor General's Office to quantify the long-term staffing needs of the Office
- secure the external audit services required by the City through the issuance of a request for proposal
- co-ordinate the complaint activity of the Fraud and Waste Hotline with the new role of the Ombudsman created under the City of Toronto Act to eliminate potential overlap of responsibilities

AUDITOR GENERAL'S OFFICE

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	3,417.7	3,382.9	3,519.1	101.4	3
Materials & Supplies	23.0	17.0	20.2	(2.8)	-12
Equipment	6.6	14.3	10.4	3.8	58
Services & Rents	404.3	401.7	409.4	5.1	1
Contributions & Transfers	5.3	5.3	5.3	0.0	0
Others (Includes IDCs)	24.3	24.4	24.0	(0.3)	-1
Total Gross Expenditures	3,881.2	3,845.6	3,988.4	107.2	3
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	0.0	0.0	0.0	0.0	N/A
Net Budget	3,881.2	3,845.6	3,988.4	107.2	3
Approved Positions	29.0	29.0	29.0	0.0	0

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Auditor General	3,566	3,566	3,881	3,881	3,988	3,988	107	2.8	107	2.8
Total Program Budget	3,566	3,566	3,881	3,881	3,988	3,988	107	2.8	107	2.8

KEY PERFORMANCE MEASURES

The Benchmarking of Audit Costs – Comparisons with Other Municipalities

The Auditor General's Office has benchmarked its costs with those of major municipalities across Canada, as well as those of a number of municipalities in the United States. The following comparison of costs with other major municipalities for comparable levels of audit services indicates that, as a percentage of total municipal budgets, the audit costs at the City of Toronto are at the lower end of the scale. As it is not possible to obtain most of the budget numbers for 2007, the majority of costs in this table relate to the 2006 fiscal year.

AUDITOR GENERAL'S OFFICE

	Municipal Operating Budget (\$000s) \$	Audit Costs (in \$000s) \$	Audit Costs as a % of Municipal Operating Budget %
City of Toronto ¹ (2007 Estimate)	8,200,000	5,577	0.07
City of Ottawa	2,114,000	1,699	0.08
Calgary	2,300,000	1,618	0.07
Edmonton	1,310,000	1,781	0.14
Winnipeg	1,092,000	1,066	0.10
Los Angeles County	17,127,000	15,000	0.09
Philadelphia	6,461,000	7,101	0.11
Detroit	2,821,000	2,358	0.08
Phoenix	2,447,000	3,677	0.15
San Jose	1,503,000	1,989	0.13

¹ Excluding TTC

In terms of measuring the effectiveness of an audit process, one of the benchmarks frequently used by the audit profession relates to the ratio of audit costs incurred to the estimated savings generated. A comparison of the audit costs from 2002 to 2006 to the estimated potential savings indicates that there is an estimated benefit to the City of \$5.02 for every dollar invested in the Auditor General's Office.

Since January 1, 1999, the Auditor General has issued 116 audit reports relating to City divisions containing 669 recommendations. These audit reports relate to the operations of the City only and do not include reports and recommendations relating to the City's Agencies, Boards and Commissions. The results of our review indicate that management has fully implemented 403, or 71 per cent of the remaining 569 recommendations.

In terms of determining whether or not the implementation rate of 71 per cent represented a satisfactory amount, we benchmarked this level with other cities across North America. The Association of Local Government Auditors (ALGA) recently conducted a benchmarking survey of North American cities, which indicates that the average implementation rate of audit recommendations is in the range of 76 per cent.

However, the more recent review of the City's agencies, boards and commissions revealed that management has fully implemented 132 of the 145 relevant recommendations over the same timeframe. This represents an implementation rate of 91 per cent.

AUDITOR GENERAL'S OFFICE

2007 OPERATING BUDGET HIGHLIGHTS

- The Information and Technology infrastructure will be reviewed to assure that the proper controls, an emergency plan and security measures are in place.
- allocating the appropriate audit resources, based on the 2007 Audit Work Plan, in the areas which are the highest risk or provide the greatest return to the City
- completing a formal follow-up process for City Local board audit recommendations and for City program audit recommendations from prior audit reports
- Resources are being reviewed to address staffing to maintain the current and future demands relating to the significant increase in activity to the Fraud Waste Hotline.
- establishing a long-term Strategic Staffing plan to identify the long-term staffing requirements for the Auditor General's Office.

2008 / 2009 OPERATING BUDGET OUTLOOK

- ensuring that all previously approved audit recommendations have been implemented
- raising auditing standards to meet the continual changes in Government Auditing Standards
- implementing a Strategic Plan that will provide various options for the level of auditing appropriate for the City and providing sufficient resources to adequately audit the City and its agencies, boards and commissions.
- addressing long-term staffing levels for the Fraud and Waste Hotline

LOBBYIST REGISTRAR

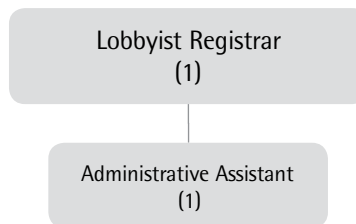
At its meeting of February 5, 6, 7 and 8, 2007, City Council approved a lobbying control framework. The lobbying control framework encompasses the lobbyists' code of conduct, offence provisions, the lobbyist registry and the responsibilities of the Lobbyist Registrar. The lobbying control framework brings the City into compliance with the mandatory requirements of the City of Toronto Act, 2006.

2006 KEY ACCOMPLISHMENTS

- Council adopted the Lobbying Bylaw No. 150-2007, to adopt a new City of Toronto Municipal Code Chapter 140, Lobbying.
- established a preliminary 2007 budget

PROGRAM MAP

The preliminary Lobbyist Registrar's Office is comprised of one service, with a total staffing complement of 2 approved positions.



2007 PROGRAM OBJECTIVES

- The implementation and development of a Lobbyist Registry.
- The development of a web-based registration system.

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- report to Council with operating budget requirements for the new Lobbyist Registry function and forecast the budgetary requirements for a full year of operation in 2008
- The full implementation of a Lobbyist Registry function.

LOBBYIST REGISTRAR

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	0.0	0.0	241.0	241.0	N/A
Materials & Supplies	0.0	0.0	0.0	0.0	N/A
Equipment	0.0	0.0	0.0	0.0	N/A
Services & Rents	0.0	0.0	0.0	0.0	N/A
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	0.0	0.0	0.0	0.0	N/A
Total Gross Expenditures	0.0	0.0	241.0	241.0	N/A
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	0.0	0.0	0.0	0.0	N/A
Net Budget	0.0	0.0	241.0	241.0	N/A
Approved Positions	0.0	0.0	2.0	2.0	N/A

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Lobbyist Registrar	-	-	-	-	241,000	241,000	241,000	N/A	241,000	N/A
Total Program Budget	-	-	-	-	241,000	241,000	241,000	N/A	241,000	N/A

2007 OPERATING BUDGET HIGHLIGHTS

- complete and publicly launch the web based registration system
- implement a supporting communication plan
- provide a service response to the initial anticipated large amount of registrants

2008/2009 OPERATING BUDGET OUTLOOK

- stabilize the new lobbyist registry function
- reviewing and implementing enhancements to the web-based registration system.

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CITY OF TORONTO

2007
Budget Summary

Corporate Accounts



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COMMUNITY PARTNERSHIP AND INVESTMENT PROGRAM

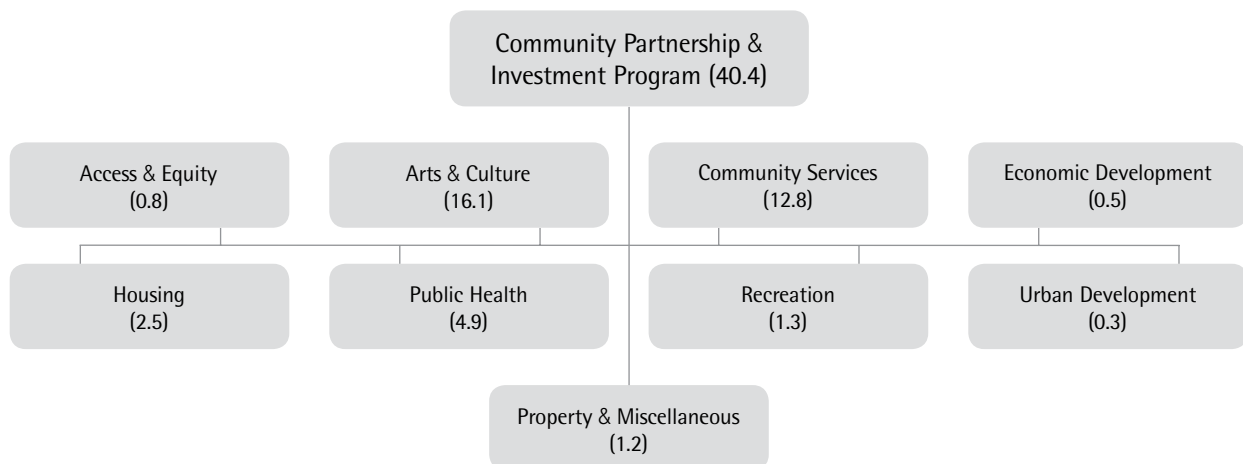
MISSION STATEMENT

The Community Partnership and Investment Program (CPIP) contributes to the enhancement of the quality of life in the City of Toronto, through community capacity-building and service delivery. Each service area within the Community Partnership and Investment Program is linked to the City's Strategic Plan, and addresses specific Council Priorities. Grant-making activities are guided by the principles of accessibility, fairness and equity, openness and transparency, accountability and responsiveness.

2006 KEY ACCOMPLISHMENTS

- assessed 3,131 funding applications, recommended 2,125 awards, and delivered 115 client support workshops
- completed customizations of the Corporate Grants Information System and piloted the system on one CPIP program
- implemented common components and standards for CPIP program administration to improve council reporting
- carried out Phase 2 of the implementation of the "City-owned Space Provided at Below Market Rent" Policy
- continued implementation of the Grants Accountability and Risk Management Framework to ensure due diligence, effectiveness, consistency and fairness

PROGRAM MAP



2007 PROGRAM OBJECTIVES

- provide strategic tools to achieve Council's social, cultural, recreational and economic goals through the delivery of specific services, projects and programs
- assist communities in drawing upon their own talents and resources to identify needs and develop appropriate programs and services

COMMUNITY PARTNERSHIP AND INVESTMENT PROGRAM

- encourage residents to engage in civic life and participate in decision-making by supporting a City-wide network of community organizations
- help leverage other resources from the community, business and other governments

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- evaluate the Corporate Grants Information System Pilot project and train 3 new funding programs (AIDS Prevention, Drug Prevention, Community Safety Initiatives) on the system in order to have them ready to accept applications online for the 2008 funding cycle
- incorporate in-kind accounting as it relates to Below-Market Rent into CPIP council reporting as part of the follow up to the recommendations from the Auditor General's Review of the Administration of Leases
- change CPIP business processes and funding program administration to reflect the new City of Toronto Act, specifically the requirements emerging as a result of the Lobbyist Registry and the Ombudsman's Office

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	0.0	0.0	0.0	0.0	N/A
Materials & Supplies	0.0	0.0	0.0	0.0	N/A
Equipment	0.0	0.0	0.0	0.0	N/A
Services & Rents	67.7	72.6	65.9	(1.8)	-3
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	40,376.2	40,314.1	41,895.3	1,519.1	4
Total Gross Expenditures	40,443.9	40,386.7	41,961.2	1,517.3	4
Funded by					
Prov. & Fed. Grants and Subsidies	269.0	254.4	259.0	(10.0)	-4
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	269.0	254.4	259.0	(10.0)	-4
Net Budget	40,174.9	40,132.3	41,702.2	1,527.3	4
Approved Positions	N/A	N/A	N/A	N/A	N/A

COMMUNITY PARTNERSHIP AND INVESTMENT PROGRAM

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Arts & Culture	15,762	15,512	16,092	16,092	16,945	16,945	853	5.3	853	5.3
Community Services	11,881	11,881	12,531	12,531	13,150	13,150	618	4.9	618	4.9
Recreation	1,280	1,280	1,305	1,305	1,377	1,377	72	5.5	72	5.5
Public Health	4,925	4,725	4,925	4,925	5,225	5,225	300	6.1	300	6.1
Housing	6,927	2,398	2,484	2,484	2,484	2,484	-	0.0	-	0.0
Access & Equity	774	774	774	774	774	774	-	0.0	-	0.0
Economic Development	581	581	541	541	556	556	15	2.8	15	2.8
Urban Development	309	309	578	309	259	-	(319)	(55.2)	(309)	(100.00)
Miscellaneous	1,639	1,539	1,213	1,213	1,192	1,192	(21)	(1.7)	(21)	(1.7)
Total Program Budget	44,078	38,999	40,444	40,7175	41,961	41,702	1,517	3.8	1,527	3.8

KEY PERFORMANCE MEASURES

Administrative and Service Quality Measures

- Applications Distributed: number of application packages mailed out, handed out, or otherwise distributed by CPIP programs
- Applications Received: number of completed applications submitted to the CPIP programs
- Awards made: number of applications that were funded
- Amount Requested: total funding amount that was requested by applicants
- Amount Allocated: total amount of funding that was allocated by the Community Partnership and Investment Program
- FTE grants staff: number of staff involved in grant review and administration. Measured in full-time equivalents
- Client Support Workshops: number of information sessions, workshops, or clinics held by grants programs

	2005*	2006	2007 Target
Applications Distributed	5422	4975	4972
Applications Received	3224	3131	3180
Awards Made	2125	2079	2106
Amount Requested	65,351,893	60,951,464	60,735,325
Amount Allocated	39,268,433	35,868,350	37,846,600
FTE Grants staff	33	33	34
Client Support Workshops	109	133	135

*2005 numbers include Provincial Housing funds that were transferred out of the CPIP budget in 2006

COMMUNITY PARTNERSHIP AND INVESTMENT PROGRAM

Community Impact Measures

Objective: Increase Services and Resources

- Organizations Funded: number of organizations that received funding from the program
- Participation / Service Statistics: numbers collected from grant recipients, based on the nature of the funded activities.
 - > Individuals served: number of people served directly by the funded activities (ie: participated in programs)
 - > Client contacts: number of times funded services are used
 - > Participants/ Attendance Numbers: number of people that attended events, public meetings, conferences, performances, etc.

	2005	2006	2007 Target
Organizations Funded	913	857	900
Individuals served	3,585,105	3,855,758	4,087,103
Client Contacts	7,141,100	7,089,047	7,514,389
Participants/Attendance	16,636,175	16,538,943	17,531,279

Objective: Increase Sector Capacity / Improve Business Climate

- Funding Leverage: a ratio of the funding provided by the Community Partnership and Investment Program to funding matched by other sources.

	2005	2006	2007 Target
Funding Leverage	\$1 : \$10.30	\$1 : \$12.60	\$1 : \$12.69

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget targets to achieve the following in 2007:

- access 3,180 funding applications, recommend 2,106 awards, and deliver 125 client support workshops
- increase number of projects funded in priority neighbourhoods by Council from 446 in 2006 to 453 in 2007
- serve over 4,000,000 individuals directly through the funded activities

2008 / 2009 OPERATING BUDGET OUTLOOK

In 2008/2009, CPIP will focus on:

- working with all its funding programs to ensure the full implementation of the Corporate Grants Information System by 2010
- partnering with relevant City divisions to design, develop, and implement processes that support the policy on city-owned Space Provided at Below-Market Rent, including increasing the supply of community use space, and allocating new space that may become available

2007 CAPITAL BUDGET

Not applicable

CAPITAL AND CORPORATE FINANCING / NON-PROGRAM

PROGRAM OBJECTIVES

Capital and Corporate Financing provides the financing for the City of Toronto's 2007 Capital Budget and other assets that are financed corporately. Non-Program Expenditures are corporate expenditures, of which 67 % are Tax and/or Employee Related. Non-Program Revenues are corporate revenues, of which 69 % are in the following categories: Tax Related Revenues; Parking Tags Revenue; Toronto Hydro Revenues; Provincial Assistance; and Investment Income.

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006				
	2005		2006		2007		Gross		Net		
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%	
Capital & Corporate	-	-	-	-	-	-	-	-	-	-	-
Financing	455,963	432,463	477,442	472,511	547,053	538,590	69,610	14.6	66,078	14.0	
Non-Program Expend.	312,855	236,680	352,401	246,031	341,623	244,627	(10,778)	(3.1)	(1,404)	(0.6)	
Non-Program Revenues	-	(740,582)	-	(841,565)	-	(944,179)	-	N/A	(102,614)	12.2	
Total Program Budget	768,818	(71,439)	829,843	(123,022)	888,675	(160,022)	58,832	7.1	(37,940)	30.8	

CAPITAL AND CORPORATE FINANCING / NON-PROGRAM

CAPITAL AND CORPORATE FINANCING

City Council approved the 2007 Tax-Supported Capital Program with capital expenditures and future year commitments totalling \$3.504 billion. The 2007 cash flow requirement (excluding the 2006 carry-forward of \$289.000 million) is \$1.432 billion. The 2007 Capital and Corporate Financing budget provides support for the capital program through debt service charges of \$402.400 million and capital from current funding of \$124.172 million. The 2007 Capital and Corporate Financing budget also provides computer hardware and software funding totalling \$20.130 million.

The following chart summarizes the 2007 Approved Budget for Capital and Corporate Financing, with comparative figures for 2006. The Capital and Corporate Financing budget has increased by \$66.078 million or 14.0 % compared to the 2006 budget.

CAPITAL AND CORPORATE FINANCING SUMMARY

Services	Approved Budget (\$000s)		Change over 2006	
	2006	2007	\$	%
Debt Financing				
Debt Service Charges	332,807.4	402,400.0	29,592.6	20.9
Administrative Charges	333.3	350.9	17.6	5.3
Housing Company Recovery	(3,500.0)	(3,500.0)	0.0	0.0
Provincial Recovery	(1,431.0)	(1,431.0)	0.0	0.0
Energy Retrofit Recoveries	-	(2,032.0)	(2,032.0)	N/A
Bloor Street Transformation Recoveries	-	(1,500.0)	(1,500.0)	N/A
Net Debt Financing	328,209.7	394,287.9	66,078.2	20.1
Capital from Current	124,172.0	124,172.0	0.0	0.0
Capital Financing (Computer Hardware & Software)	20,129.6	20,129.6	0.0	0.0
Total Capital & Corporate Financing	472,511.3	538,589.5	66,078.2	14.0

- Recoveries have been budgeted from the Energy Retrofit Program (\$2.032 million) and the Bloor St. Transformation Project (\$1.500 million).

CAPITAL AND CORPORATE FINANCING / NON-PROGRAM

NON-PROGRAM EXPENDITURES

The Non-Program Expenditures Budget consists of expenditure items considered to be corporate in nature. The following chart summarizes the 2007 Approved Budget for Non-Program Expenditures, with comparative figures for 2006. The Non-Program Expenditures Budget has decreased by \$1.404 million or 0.6% compared to the 2006 Budget.

NON-PROGRAM EXPENDITURE SUMMARY

Services	Approved Budget (\$000s)		Change over 2006	
	2006	2007	\$	%
Tax Related				
Tax Deficiencies/Write-Offs	87,000.0	75,000.0	(12,000.0)	(13.8)
Assessment Function (MPAC)	32,200.0	33,000.0	800.0	2.5
Vacancy Rebate Program	16,500.0	16,500.0	0.0	0.0
Heritage Property Tax Rebate Program	718.3	3,500.0	2,781.7	387.3
Total Tax Related	136,418.3	128,000.0	(8,418.3)	(6.2)
Other				
Temporary Borrowing	400.0	400.0	0.0	0.0
Employee Related Liabilities	35,487.6	35,494.3	6.7	0.0
Programs Funded from Reserve Funds	101,066.6	92,130.4	(8,936.2)	(8.8)
Insurance Premiums & Claims	306.9	3,306.9	3,000.0	977.5
Parking Tag Enforcement & Operations	42,483.6	43,603.9	1,120.3	2.6
Other Corporate Expenditures	33,342.9	38,687.1	5,344.2	16.0
Total Other	213,087.6	213,622.6	535.0	0.3
Recoveries				
Programs Funded from Reserve Funds	(101,066.6)	(92,130.4)	8,936.2	(8.8)
Other Corporate Expenditures	(2,408.0)	(4,865.0)	1,120.3	102.0
Total Recoveries	(103,474.6)	(96,995.4)	6,479.2	(6.3)
Total Non-Program Expenditures	246,031.3	244,627.2	(1,404.1)	(0.6)

- Tax Deficiencies / Write-Offs expenditures have been reduced by \$12.000 million or 13.8% to reflect the 2006 actual experience
- fee charged by the Municipal Property Assessment Corporation (MPAC) to provide assessment services across the City has increased by \$0.800 million or 2.5%
- Heritage Property Tax Rebate Program expenditures have increased by \$2.782 million per Council's direction to continue implementation/expansion of the program
- Non-Program contribution to the reserve fund for Insurance Premiums & Claims has increased by \$3.000 million to ensure a stable balance to fund future claims
- Other corporate expenditures include funding for: a Partnerships Office (\$0.300 million) to build new partnerships and strengthen existing ones to join in beautifying neighbourhood public spaces; and Council Appointed Programs (\$1.159 million) such as an Ombudsman and Lobbyist Registrar.

CAPITAL AND CORPORATE FINANCING / NON-PROGRAM

NON-PROGRAM REVENUES

The Non-Program Revenues Budget consists of tax related and other revenue items considered to be corporate in nature. The following chart summarizes the 2007 Approved Budget for Non-Program Revenues, with comparative figures for 2006. The Non-Program Revenues Budget has increased by \$102.614 million or 12.2% compared to the 2006 budget.

NON-PROGRAM REVENUE SUMMARY

Services	Approved Budget (\$000s)		Change over 2006	
	2006	2007	\$	%
Tax Related				
Payments in Lieu of Taxes	83,929.9	81,400.0	(2,529.9)	(3.0)
Supplementary Taxes	37,000.0	34,000.0	(3,000.0)	(8.1)
Tax Penalty Revenue	25,500.0	28,500.0	3,000.0	11.8
Other Tax Revenues	15,688.3	15,600.0	(88.3)	(0.6)
Total Tax Related	162,118.2	159,500.0	(2,618.2)	(1.6)
Other				
Interest/Investment Earnings	62,000.0	67,000.0	5,000.0	8.1
Toronto Hydro Revenues	112,655.7	106,090.2	(6,565.5)	(5.8)
Provincial Revenue	226,600.0	241,053.2	14,453.2	6.4
Contribution from Reserve Funds	112,862.00	172,266.1	59,404.1	52.6
Contribution from Trust Accounts	-	30,000.0	30,000.0	N/A
Parking Authority Revenues	25,369.7	28,384.5	3,014.8	11.9
Woodbine Slots Revenue	14,000.0	14,500.0	500.0	3.6
Corporate Recoveries-Water	18,973.0	18,973.0	0.0	0.0
Corporate Recoveries-Health/EMS	17,302.0	17,302.0	0.0	0.0
Parking Tag Enforcement & Operations	80,550.0	80,000.0	(550.0)	(0.7)
Other Corporate Revenues	9,134.1	9,109.6	(24.5)	(0.3)
Total Other	679,446.5	784,678.6	105,232.1	15.5
Total Non-Program Revenues	841,564.7	944,178.6	102,613.9	12.2

- Payments in Lieu of Taxes revenue has decreased by \$2.530 million or 3.0% to reflect the exemption, under the City of Toronto Act (CoTA), of certain TTC properties
- Supplementary Taxes revenue has decreased by \$3.000 million or 8.1% as the backlog of assessing newly constructed properties is substantially completed
- Toronto Hydro revenue of \$106.090 million includes interest on Notes Receivable (\$59.890 million, lower interest rate compared to 2006) and dividends (\$46.200 million)
- Provincial Revenue of \$241.053 million includes: provincial gas tax revenues (\$91.600 million); Toronto Transit Commission subway operations funding (\$100.000 million); and Ontario Municipal Partnership Fund (OMPF) funding for Social Services (\$49.453 million, increase compared to 2006)
- contributions from reserve funds (\$172.266 million) and from trust accounts (\$30.000 million) to fund the 2007 Operating Budget

CITY OF TORONTO

2007
Budget Summary

**Agencies, Boards and
Commissions**



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ARENA BOARDS OF MANAGEMENT

MISSION STATEMENT

The Arena Boards of Management provide safe, full and equitable access to high quality indoor and outdoor ice sport recreational facilities that are managed effectively and efficiently to provide opportunities for physical fitness and sport skill development through individual and team activities in response to local community needs.

2006 KEY ACCOMPLISHMENTS

- All eight arenas operated at full capacity, delivering a total of nearly 40,000 hours of available ice time.
- Three arenas (Forest Hill, Moss Park, Ted Reeve) generated net surpluses in 2006 and one other arena (Leaside) reported a smaller net deficit than the 2006 approved budget.
- McCormick Arena underwent major renovations as part of the planned 2006 Parks, Forestry and Recreation state of good repair Capital Plan.
- Two arenas (George Bell, Ted Reeve) participated in the City's Energy Retrofit Program while six other arenas implemented their own energy conservation initiatives.
- The City Manager's Office is currently undertaking a Relationship Framework Review with the Arena Boards of Management. Completion of this review is expected during 2007.

2007 PROGRAM OBJECTIVES

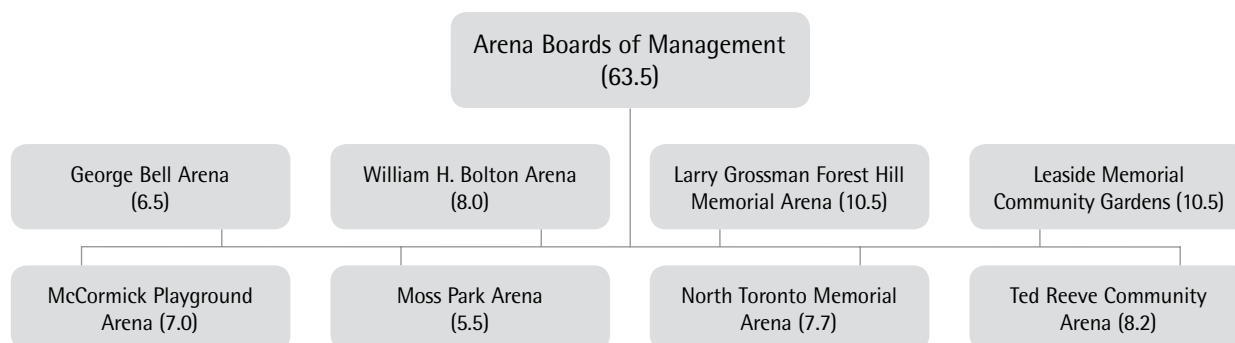
The Arena Boards of Management's mandate is to do the following:

- provide equitable access to high quality indoor and outdoor ice sport recreational opportunities by:
 - > maintaining physical facilities at a high standard
 - > maintaining a high level of responsiveness to community needs
 - > providing a high standard of public service to the community
 - > ensuring that program offerings reflect present and emerging community interests and requirements
- effectively and efficiently manage operations without imposing operating costs on the taxpayer by:
 - > minimizing operating expenditures by using the best management practices available
 - > pursuing present and emerging revenue opportunities to minimize support from the taxpayer
 - > pursuing opportunities to provide new or improved programs or services in response to emerging community needs
 - > maximizing opportunities to generate supplementary revenues from accessory operations to support arena operations

ARENA BOARDS OF MANAGEMENT

PROGRAM MAP

The Program is comprised of eight Arena Boards of Management, with a total of 63.5 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- continue to provide high quality facilities and recreational opportunities that respond to community needs
- manage operations using the best available practices to minimize the need for operating support from the taxpayer

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	3,126.0	3,173.5	3,270.9	144.9	5
Materials & Supplies	1,641.8	1,648.5	1,701.2	59.4	4
Equipment	21.9	26.2	19.3	(2.6)	-12
Services & Rents	781.3	701.1	761.2	(20.1)	-3
Contributions & Transfers	100.7	173.4	211.4	110.7	110
Others (Includes IDCs)	9.1	9.1	5.3	(3.8)	-42
Total Gross Expenditures	5,680.8	5,731.8	5,969.3	288.5	5
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	4,578.1	4,579.8	4,760.0	181.9	4
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	976.2	983.6	1,027.6	51.4	5
Total Non-tax Revenues	5,554.3	5,563.4	5,787.6	233.4	4
Net Budget	126.5	168.4	181.7	55.2	44
Approved Positions	63.5	63.5	63.5	0.0	0

ARENA BOARDS OF MANAGEMENT

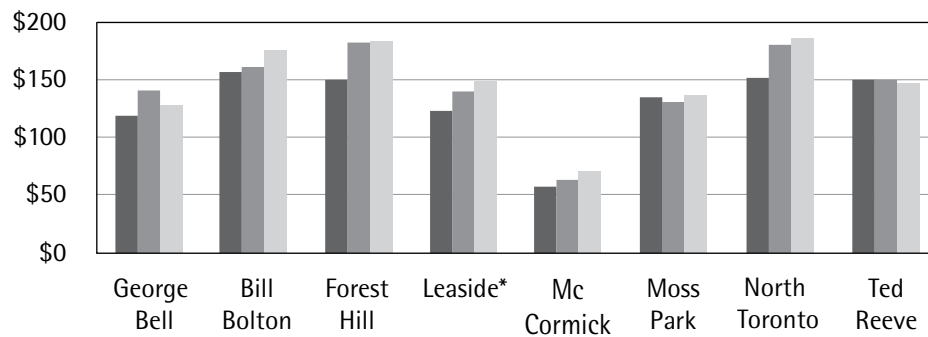
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
George Bell Arena	463	27	446	21	499	21	53	12.0	0	0.5
William H.Bolton Arena	698	(1)	724	1	705	62	(19)	(2.7)	61	999.0
Forest Hill Memorial	862	(1)	870	(0)	985	(2)	114	13.2	(2)	912.9
Leaside Gardens	905	104	910	94	971	93	61	6.7	(1)	(1.0)
McCormick Arena	576	(1)	601	1	633	(0)	31	5.2	(1)	(102.5)
Moss Park Arena	513	124	661	0	683	(0)	22	3.3	(0)	(110.3)
North Toronto Memorial	718	(0)	725	(0)	745	(1)	20	2.8	(1)	945.2
Ted Reeve Arena	755	9	743	10	749	9	5	0.7	(1)	(8.0)
Total Program Budget	5,490	261	5,681	127	5,969	182	289	5.1	55	43.6

KEY PERFORMANCE MEASURES

Efficiency Measures

Total Cost Per Hour of Operation



*Leaside Gardens' total cost per hour of operation includes historical capital financing/debt repayment of \$25.7K annually or \$6.18 per hour.

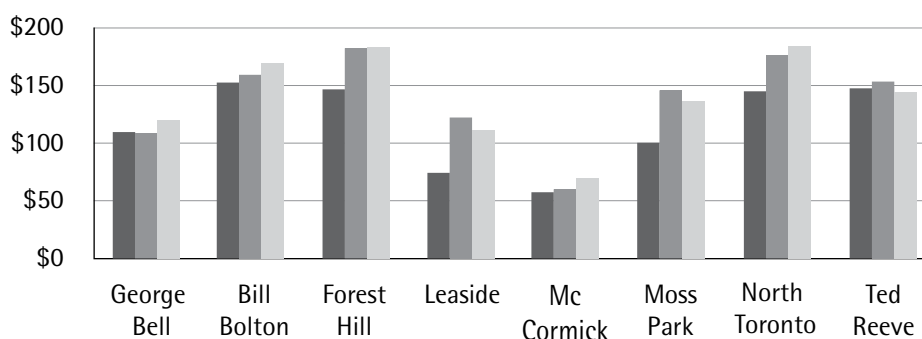
Total cost of arena operations include salaries/wages and benefits for 55% of the total costs, materials and supplies, furniture and equipment purchases that cost less than \$50,000 (non-capitalizable), facilities and equipment repairs and maintenance, utilities, contracted services labour and materials, other services and rents, program expense (materials and contracted labour), direct costs of ancillary operations (food products purchased for the snack bar and vending machines, pro shop goods for sale, skate sharpening, equipment for banquet and meeting facilities), general administration expenses, contributions to the ice resurfacers

ARENA BOARDS OF MANAGEMENT

replacement reserve, and the direct costs of operating the swimming pool and historical capital financing/debt repayment including interest in the case of Leaside Gardens.

Total cost per hour of operation fluctuations from year to year are attributed to arena closures for various lengths of time for major renovations (William H. Bolton Arena in 2007). Other distortions of the total cost per hour of operation include emergency repairs and extraordinary/one-time human resources costs as in the case of George Bell Arena in 2006, and the quantity and dollar values of the small repairs and maintenance projects undertaken by the arena.

Revenue Per Hour of Operation



	George Bell	Bill Bolton	Forest Hill	Leaside	Mc Cormick	Moss Park	North Toronto	Ted Reeve
2005 Actual	\$107.24	\$151.23	\$147.67	\$69.55	\$55.73	\$100.72	\$144.58	\$147.53
2006 Actual	\$107.15	\$157.80	\$182.58	\$115.46	\$57.05	\$140.20	\$176.61	\$150.53
2007 Target	\$119.99	\$166.87	\$182.70	\$107.79	\$65.24	\$134.09	\$184.30	\$144.20

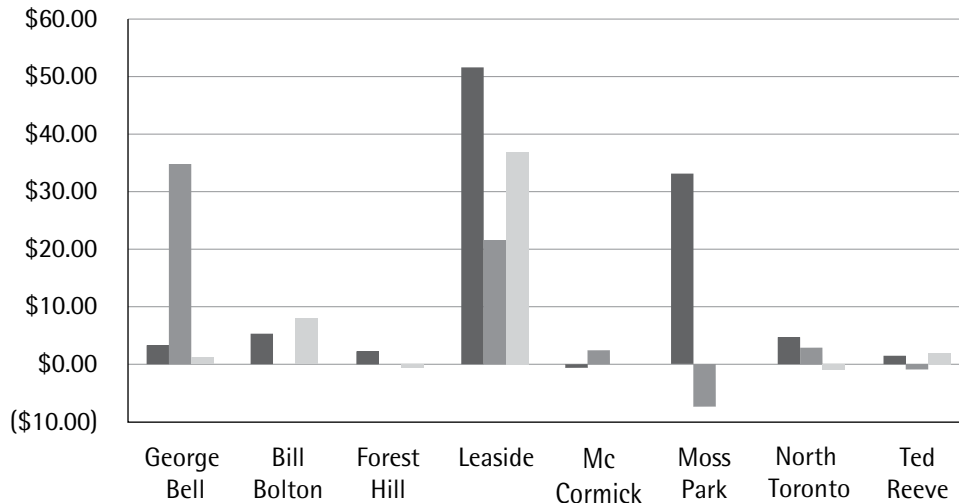
Total revenue from operations includes:

- ice time rental fees
- user fees/program registrations
- facility rental fees
- service charges
- outdoor rink service fees (North Toronto)
- pool rental fee (Leaside)
- contracted services to third party (Ted Reeve)
- accessory operations – snack bar and vending machine sales, pro shop sales, skate sharpening
- advertising and other one-time revenues

Revenue per hour of operation fluctuations from year to year can be caused by demand changes, arena shutdown for major renovation, emergency repairs, sales revenue from ancillary operations, one-time revenue from film shoots.

ARENA BOARDS OF MANAGEMENT

Net Cost (Surplus) Hour of Operation



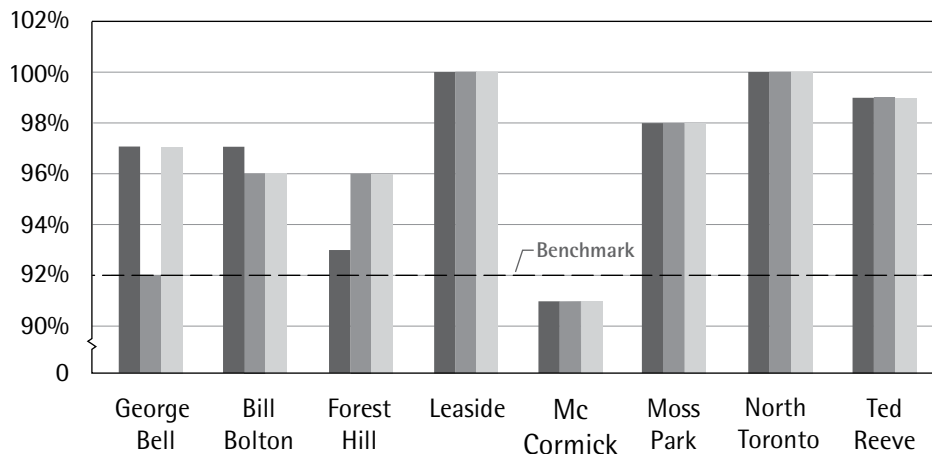
■ 2005 Actual	\$2.59	\$4.75	\$1.55	\$51.84	(\$0.95)	\$33.11	\$4.87	\$1.54
■ 2006 Actual	\$35.36	(\$0.02)	(\$0.03)	\$21.25	\$3.00	(\$7.80)	\$2.36	(\$1.30)
■ 2007 Target	\$1.82	\$7.93	(\$0.21)	\$36.69	\$0.00	\$0.00	(\$0.19)	\$2.20

A key mandate of an Arena Board of Management is to manage and operate the arena (a City-owned asset) effectively and efficiently at no cost to the City. The goal is to have a neutral impact on City finances by generating sufficient revenue to fund operations. The "net cost per hour of operation" measurement is a common performance measure in the industry and is applicable to the Arena Boards to determine how each arena is performing. Arenas that break even or generate a net surplus show a net revenue (net surplus) per hour of operation while arenas with net operating deficits or net budget deficits show a net cost per hour of operation.

Net cost per hour of operation fluctuations from year to year can be caused by unanticipated demand changes in ice rental and variable sales from accessory operations, arena shutdown for major renovation, emergency repairs, one time revenues, the type and dollar value of repairs and maintenance projects.

ARENA BOARDS OF MANAGEMENT

Prime Time Ice Utilization
Percentage Usage of Prime Time Available Hours



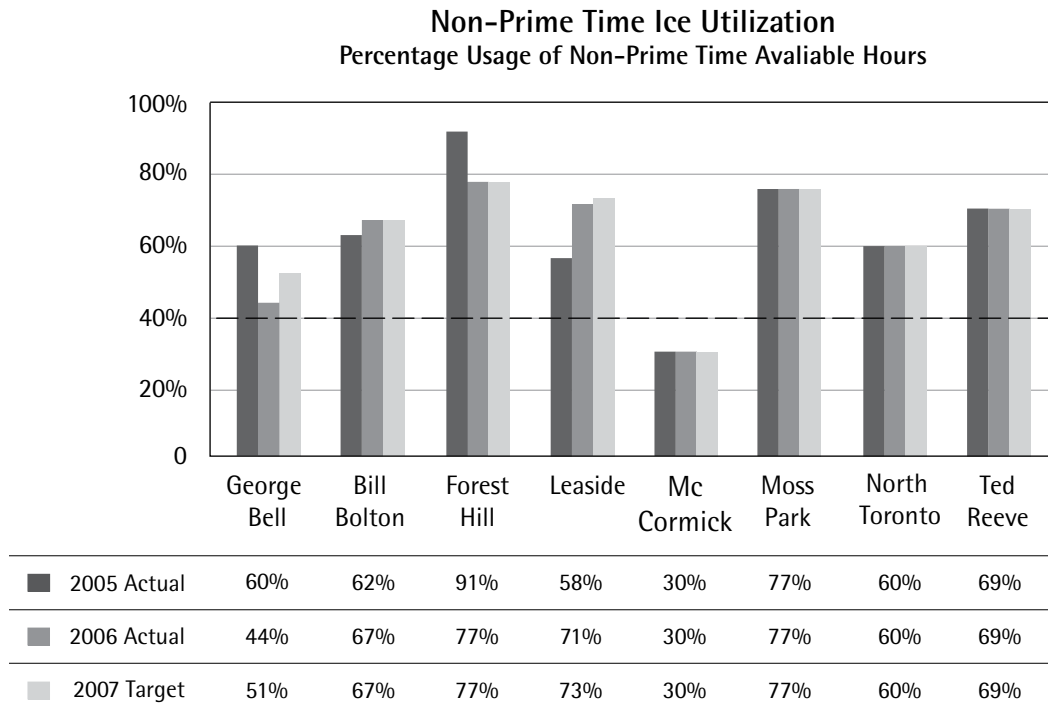
■ 2005 Actual	97%	97%	93%	100%	91%	98%	100%	99%
■ 2006 Actual	92%	96%	96%	100%	91%	98%	100%	99%
■ 2007 Target	97%	96%	96%	100%	91%	98%	100%	99%

The prime time ice utilization yardstick measures capacity utilization; how the ice is being used and allocation of hours of usage. The measurement looks at hours available versus hours booked during prime time hours. The industry benchmark for prime time ice utilization is 92% booked for a standard ice season. All eight Arena Boards are operating at or near full capacity for prime time ice which is just under 2000 prime ice time hours. All Arena Boards show that they are operating within the industry benchmark of 92% rental of prime time ice or nearly fully booked for the whole ice season. Prime time ice utilization is very constant from year to year.

Any fluctuation in prime time ice utilization from year to year is probably due to emergency repairs of mechanical system breakdowns posing a health and safety risk to ice users as in the case of George Bell Arena in 2006.

McCormick Arena's 91% prime time ice utilization is a composite figure for the two ice surfaces combined. Although both the large and small ice rinks are fully booked during prime time hours, the smaller ice surface is more difficult to rent out and is mainly used for shinny hockey.

ARENA BOARDS OF MANAGEMENT



As ice utilization is broken out into prime time ice and non-prime time ice, non-prime time ice comprise mostly daytime ice and late night ice during Mondays to Fridays. The industry benchmark for non-prime time ice utilization ranges from 25% to 40% average rental for the standard ice season in a good arena. Seven out of eight Arena Boards show that they are averaging 51% to 77% rental of non-prime ice time which is well above the industry average.

McCormick Arena's 30% utilization of non-prime ice time represents a composite figure for the two ice surfaces combined, one large and one small ice rink, and is within the industry benchmark range of 25% - 40%. The small rink is difficult to rent out at the best of times, but during the day there is little demand for the small ice surface except for shinny which does not generate much revenue.

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- indoor artificial ice rink operations
- primetime and daytime ice rental
- hockey and skating programming, including leagues, schools, camps and free skate
- programming events for groups, children, youth, adults and seniors
- snack bar and vending machine food service, pro shops, skate sharpening, meeting and banquet facilities
- operation of outdoor artificial ice rinks on behalf of Parks, Forestry and Recreation (North Toronto; Ted Reeve contracted services to Beaches Sport Centre)
- swimming pool programmed by Parks, Forestry and Recreation (Leaside)

ARENA BOARDS OF MANAGEMENT

The 2007 Operating Budget will deliver a total of 38,000 hours of available ice time, comprising of 21,000 hours of primetime ice and 17,000 hours of daytime ice, to the community by the eight Arena Boards.

The 2007 Operating Budget allows the Arena Boards of Management to provide the 2006 level of service with the exception of William H. Bolton Arena which is scheduled to close for two months in 2007 for planned major renovations to the facility. This closure will result in the cancellation of in-house programming in April and May 2007.

William H. Bolton Arena is participating in a pilot project to purchase a "green" environmentally friendly electric ice resurfacer to address the health concerns of its ice users and that of its employees by improving the air quality in the arena. This initiative will contribute to energy conservation and eliminate the use of fossil fuels (propane gas) at this arena.

2008/2009 OPERATING BUDGET OUTLOOK

- The Arena Boards of Management Program is expected to be back to its normal operating level in 2008. All eight arenas are expected to operate without disruption in 2008 and 2009. There are no major arena renovations planned in the Parks, Forestry and Recreation Five-Year Capital Plan for the eight Board-operated arenas.
- The Program projects no net incremental increases in its 2008 and 2009 operating budgets. The 2008 and 2009 outlook maintains the 2007 level of service.

Capital state of good repair projects at Arena Board facilities are included in the Parks, Forestry and Recreation Capital Budget.

ASSOCIATION OF COMMUNITY CENTRES

MISSION STATEMENT

The Association of Community Centres, which is made up of ten community centres, is to implement City's Social Development Strategy by fostering a sense of community, promoting civic engagement and enhancing the quality of life through the development, provision and support of activities, services and programs responsive to local needs.

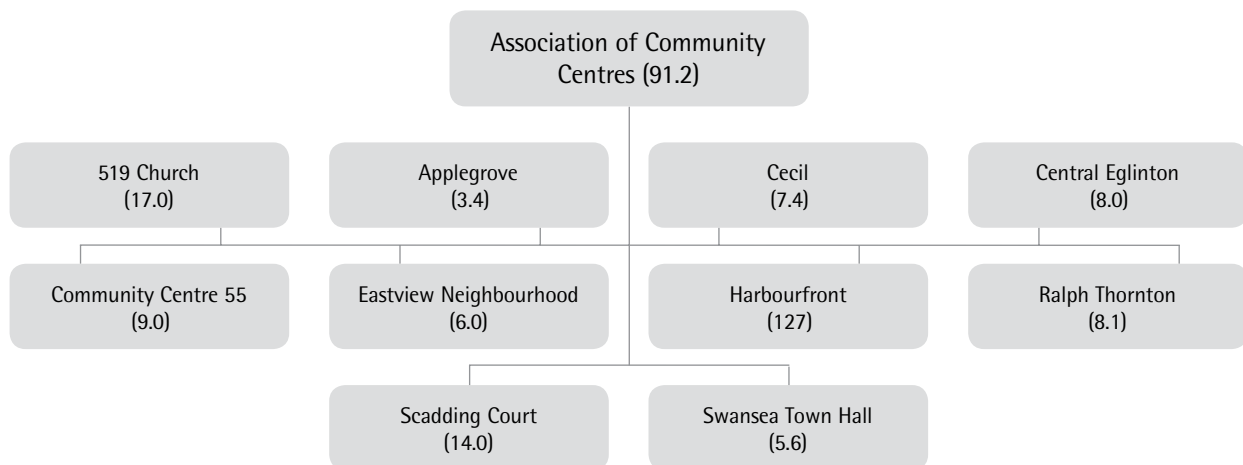
2006 KEY ACCOMPLISHMENTS

- served over 165,000 individuals with increased participation of 6,307 volunteers contributing over 148,000 voluntary hours in 2006
- substantially increased revenues from business community to support centres
- provided leadership and ongoing support to promote neighbourhood action through social, recreational, community services and informative programs for individuals and families

2007 PROGRAM OBJECTIVES

- strengthen individual and community capacity
- contribute to social infrastructure, quality of life and community safety
- act as a social hub and gathering place
- encourage residents to participate in community life

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- provide a wide range of quality programs and services to meet residents' needs
- maintain a community base that is representative of the neighbourhood
- provide opportunities for local residents to improve their communities
- provide and preserve community access to space

ASSOCIATION OF COMMUNITY CENTRES

2007 OPERATING BUDGET BY CATEGORY

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	5,278.5	5,401.1	5,350.7	72.2	1
Materials & Supplies	404.3	442.7	425.7	21.4	5
Equipment	13.9	18.3	12.8	(1.1)	-8
Services & Rents	601.1	298.2	598.0	(3.1)	-1
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	6.8	5.3	6.8	0.0	0
Total Gross Expenditures	6,304.6	6,165.6	6,394.0	89.4	1
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	152.8	14.5	155.2	2.4	2
Reserves/Reserve Funds	294.2	294.2	0.0	(294.2)	-100
Other (Includes IDRs)	6.6	6.8	6.6	0.0	0
Total Non-tax Revenues	453.6	315.5	161.8	(291.8)	-64
Net Budget	5,851.0	5,850.1	6,232.2	381.2	7
Approved Positions	91.2	91.2	91.2	0.0	0

2007 OPERATING BUDGET BY SERVICE

Key Performance Measures

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
519 Church	1,016	1,016	1,045	1,022	1,077	1,077	31	3.0	54	5.3
Applegrove	327	316	346	316	350	350	4	1.3	34	10.9
580	580	554	593	565	604	604	11	1.9	40	7.0
Central Eglinton	466	466	499	472	507	507	8	1.6	35	7.5
Community Centre 55	533	533	595	565	609	609	15	2.5	45	7.9
Eastview Neighbourhood	457	430	457	426	453	453	(4)	(1.0)	26	6.2
Harbourfront	936	936	1,014	973	1,029	1,029	15	1.5	56	5.7
Ralph Thornton	561	519	607	537	613	573	6	1.0	36	6.8
Scadding	706	706	745	705	755	755	11	1.4	50	7.1
Swansea	353	234	390	255	397	275	8	1.9	20	7.7
AOCC - General	15	15	15	15	0	0	(15)	(100.0)	(15)	(100.0)
Total Program Budget	5,950	5,725	6,305	5,851	6,394	6,232	89	1.4	381	6.5

ASSOCIATION OF COMMUNITY CENTRES

Community Centre	# of Client Contacts	# of Individuals Served	# of Volunteers
519 Church Street	160,000	26,190	1,122
Applegrove	27,000	1,700	170
Cecil	80,900	26,000	385
Central Eglinton	83,317	7,631	380
Centre 55	161,980	51,406	2,890
Eastview Neighbourhood	187,575	7,014	224
Harbourfront	302,747	14,968	194
Ralph Thornton	111,898	8,835	454
Scadding Court	210,545	17,816	268
Swansea Town Hall	97,920	3,670	220
Total	1,423,882	165,230	6,307

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- provide community development initiatives and a wide range of quality programs to meet resident's needs
- maintain a community base that is representative to the neighbourhood
- offer numerous programs and services aimed at improving communities and lives of residents
- strengthen individual and community capacity; contributing to social infrastructure, quality of life and community safety; acting as a social hub and gathering place; and encouraging residents to participate in community life

2008/2009 OPERATING BUDGET OUTLOOK

- The net incremental impact of \$0.161 million in 2008 represents increases in staffing costs mainly for Cost of Living Adjustments (COLA) of \$0.171 million offset by one-time reversal of minor repairs of \$0.011 million, which are not expected to continue into 2008. The incremental 2008 Outlook of \$0.165 million is 2.7% over the 2007 Budget. The 2009 Outlook will be reviewed as part of future year operating budget processes.
- The incremental 2008 Outlook of \$0.165 million is 2.7% over the 2007 Budget. The 2009 Outlook will be reviewed as part of future year operating budget processes.

EXHIBITION PLACE

MISSION STATEMENT

The mission and mandate of Exhibition Place is to provide an opportunity for business stimulation and economic development in the community, provide a focus for public celebration and events, preserve the 22 architecturally and historically significant structures on grounds, and provide a world class venue for trade and consumer shows and major City events and celebrations

2006 KEY ACCOMPLISHMENTS

- New year-round tenants in the Horticulture Building (Muzik Clubs) and Bandshell restaurant (Gossip Restaurant) opened for business after completion of substantial renovations within each of these historic buildings.
- Construction of the National Soccer Stadium (BMO Field) commenced in January 2006 and is on budget/on schedule to be substantially completed by April 1, 2007 with the first major league soccer game on April 28, 2007.
- Construction of the Stadium allowed for realignment of Princes' Boulevard in accordance with the Board's 2004 Development Concept Plan.
- Title naming sponsorship with Direct Energy Marketing Limited for the National Trade Centre was launched with a value of \$7.0 Million to be directed to environmental initiatives.
- Exhibition Place continued to be a world class demonstration site and winner of many awards for the environmental program which included the launch of the photovoltaic plant in August 2006, completing construction on the tri-generation project in December 2006 and completing a major lighting retrofit in the Direct Energy Centre in November 2006.
- Exhibition Place achieved a waste diversion rate of approximately 62% for all programs including CNE period and three-time winner of Waste Minimization Awards.
- Other awards:
 - > BOMA Building of the Year
 - > IAEM Innovation in Business Award
- Direct Energy Centre achieved 130% of budget.

2007 PROGRAM OBJECTIVES

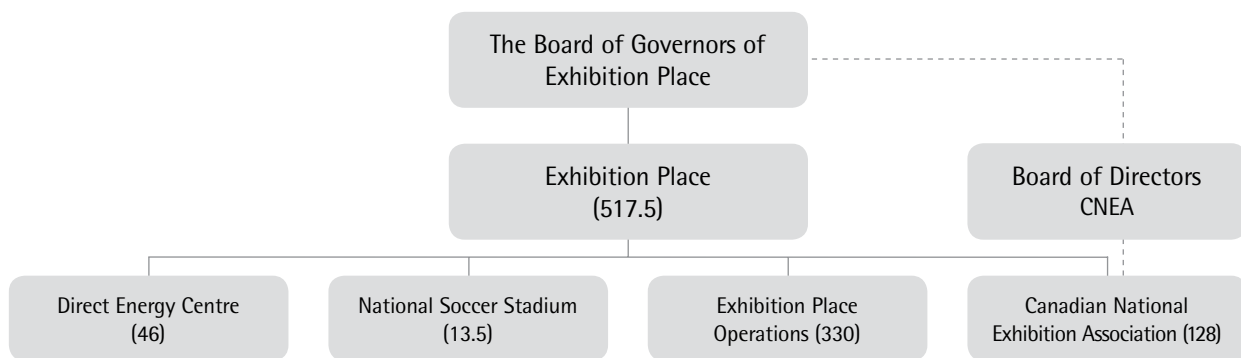
- Opening of the new soccer stadium (BMO Field) in April 2007.
- Hosting of the FIFA Under-20 World Soccer Championship in July 2007.
- Public launch of the tri-generation project within the Direct Energy Centre.
- Diversification of our target customer group for future shows and events to include more film shoots, religious and cultural events and private functions.
- Continuation of improvements to the gates admission process at the 2007 CNE and the exploration of cashless transaction options.
- Continued implementation of the strategy for energy efficient capital upgrades for the non-tenanted buildings.

EXHIBITION PLACE

- Finalization of design and commencement of renovations for a new conference centre in the historic Automotive Building.
- Negotiation of a Letter of Intent with the private sector to construct a hotel on the grounds.
- Reorganization and ensuring smooth transition from outside to internal management.
- Continuation of greening initiatives and the introduction of debt repayment for energy initiatives.

PROGRAM MAP

Exhibition Place is comprised of four services with a total staffing complement of 517.5 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

For 2007, Exhibition Place will have the following strategic priorities:

- Ensure a smooth transition to a reorganized administrative structure.
- Maintain outstanding customer service delivery.
- Promote safety in the workplace at all levels.
- Stabilize CNE admissions at 1.4 to 1.5 million attendees.
- Finalize conference centre project in the historic Automotive Building and begin construction in the fall of 2007.
- Successfully open and operate the new soccer stadium (BMO Field).
- Promote environmental initiatives and finalize 2010 self-sufficiency energy plan.
- Develop community use of the grounds.
- Meet or exceed all budget projections.

EXHIBITION PLACE

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	24,879.9	28,051.8	29,080.8	4,200.9	17
Materials & Supplies	3,962.0	3,698.2	4,558.1	596.1	15
Equipment	345.6	411.9	486.5	140.9	41
Services & Rents	31,108.7	30,760.5	32,701.4	1,592.7	5
Contributions & Transfers	831.1	0.00	918.0	86.9	10
Others (Includes IDCs)	(13,896.6)	(14,405.0)	(14,363.1)	(466.5)	3
Total Gross Expenditures	47,230.7	48,517.4	53,381.6	6,150.9	13
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	46,336.7	45,984.3	52,291.6	5,954.9	13
Reserves/Reserve Funds	458.0	0.0	640.0	182.0	40
Other (Includes IDRs)	382.0	0.0	396.0	14.0	4
Total Non-tax Revenues	47,176.7	45,984.3	53,327.6	6,150.9	13
Net Budget	54.0	2,533.1	54.0	0.0	0
Approved Positions	452.0	452.0	517.5	65.5	14

2007 OPERATING BUDGET BY SERVICE

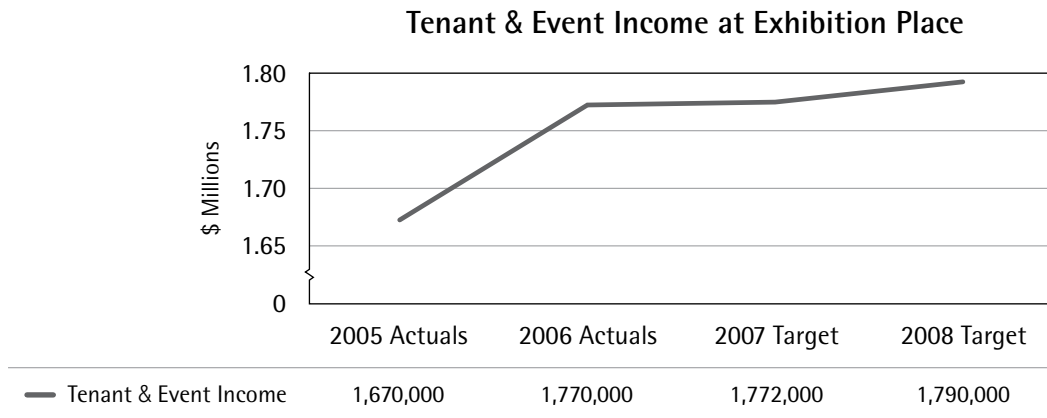
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Exhibition Place	18,445	(676)	21,023	(798)	21,593	(798)	570	2.7	-	0.0
Direct Energy Centre	14,500	1,717	13,506	1,744	14,844	2,562	-	0.0	819	46.9
CNE	13,000	(1,290)	12,702	(892)	13,302	(1,711)	600	4.7	(819)	91.8
BMO Field	-	-	-	-	3,642	-	3,642	N/A	-	N/A
Total Program Budget	45,945	(249)	47,231	54	53,382	54	6,151	13.0	0	0.0

EXHIBITION PLACE

KEY PERFORMANCE MEASURES:

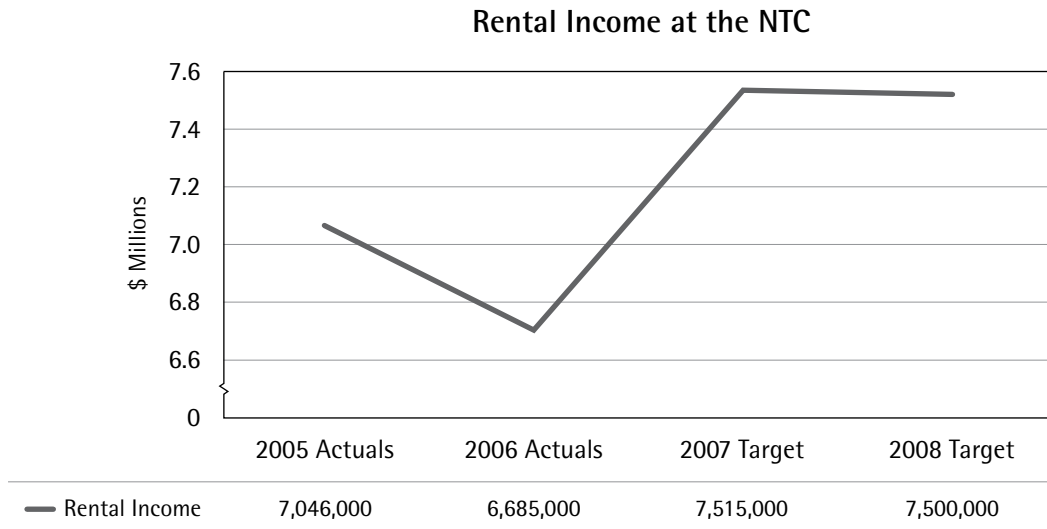
Efficiency Measure – Exhibition Place Operations

Exhibition Place Operations measures efficiency by the level of tenant and event income. The trend is an increase in tenant and event income.



Efficiency Measure – Direct Energy Centre

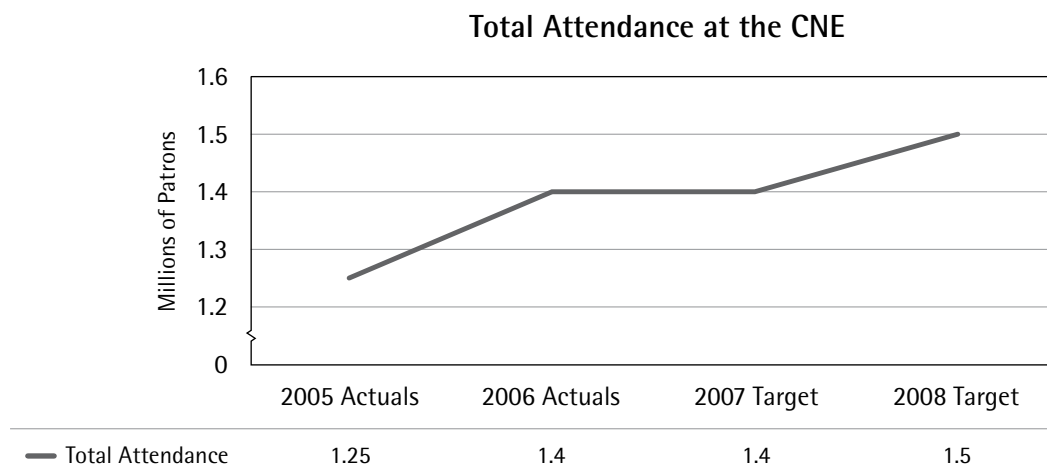
The Direct Energy Centre (formerly the National Trade Centre) measures efficiency by the level of rental income. The trend is an overall increase in rental income.



EXHIBITION PLACE

Efficiency Measure – Canadian National Exhibition (CNE)

The Canadian National Exhibition measures performance by the level of attendance to the fair. The trend is a steady increase in attendance.



2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Recommended Operating Budget allows Exhibition Place to achieve the following objectives:

- To develop community use of the grounds by diversifying its target customer group for future shows and events to include more film shoots, religious and cultural events and private functions.
- To maintain outstanding customer service delivery through initiatives such as improvements to the admission process at the CNE gates including the exploration of cashless transaction options, and to stabilize CNE admissions at approximately 1.5 million patrons each year.
- To successfully open and operate the new National Soccer Stadium (BMO Field), including hosting the FIFA Under-20 World Cup in July 2007.
- To achieve financial efficiency and thereby meet or exceed budget projections through a reorganized administrative structure by combining the operations of Exhibition Place and the Direct Energy Centre (formerly the National Trade Centre) in 2007, and to ensure a smooth transition from the external management that had been in place at the Direct Energy Centre to internal management.
- To promote environmental initiatives and finalize the 2010 energy self-sufficiency plan including a public launch for the tri-generation project within the Direct Energy Centre and continued implementation of the strategy for energy-efficiency upgrades for buildings on the site.
- To promote workplace safety at all levels.
- To develop the facilities on the grounds through initiatives such as the establishment of a new conference centre by finalizing the design and beginning renovations of the historic Automotive Building in 2007, and the construction of a hotel on the grounds by, as a first step, issuance of a RFP and negotiating a Letter of Intent with a private sector partner.

EXHIBITION PLACE

2008/2009 OPERATING BUDGET OUTLOOK

The years 2008 and 2009 will be a continuation and enhancement of many of the priorities indicated above.

In future years, Exhibition Place and the City of Toronto will see the synergistic benefits from having so many dynamic and diverse partners on the grounds such as the new permanent tenants (Liberty Entertainment Complex, Medieval Times, Gossip Restaurant, Muzik Clubs) and a return of professional sports teams in the Ricoh Coliseum (Marlies) and the BMO Field (Toronto FC).

In future years, special attention will be paid to making the much needed conference centre a reality and a partnership with the private sector for the development of a hotel on the grounds. Continuing to be a showcase for progressive and innovative energy conservation projects will be key to reaching the energy self-sufficiency goal by 2010.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

Exhibition Place completed 91% of its 2006 approved cash flow of \$16.8 million. The following are details on some of the major projects in 2006 capital program:

- **Princes' Gates Restoration and Landscaping (\$1.050 million):** The 2006 program was focused on the continuing repair and replacement of the architrave (main built-up beam) of the historic Princes' Gates. Wind, rain and snow had caused deterioration to various component structures. The stabilization work for 2006 completed the restoration of the north architrave. The Princes' Gates are a very important architectural symbol for Exhibition Place and this restoration project was given a very high priority. In addition, an extensive landscaping project was completed in the vicinity of the Princes' Gates in partnership with the City of Toronto.
- **Energy Efficiency Projects:** Exhibition Place places a very high priority on its energy efficiency projects which will enable the grounds to achieve energy self-sufficiency by the year 2010. The tri-generation system located in the Direct Energy Centre was functional and ready for testing in the fall of 2006 and the photo-voltaic array on the Horse Palace roof also became operational in 2006.
- **National Soccer Stadium (\$9.800 million):** The \$9.800 million represents the City's share of the cost for the construction of the 20,000 seat National Soccer Stadium. A Letter of Intent was entered into with Maple Leaf Sports & Entertainment Limited and the Canadian Soccer Association with respect to this project and financial contributions toward the cost of the project were received from the both the provincial (\$8.000 million) and federal (\$27.000 million) levels of government. The project was completed in March 2007. This stadium will become one of Canada's premier outdoor athletic facilities and will be ready to host the Under-20 Men's World Soccer Championship in the summer of 2007.

EXHIBITION PLACE

- Direct Energy Centre (\$0.790 million): A number of important capital initiatives were undertaken in 2006 for the Direct Energy Centre. There was an upgrade of building control systems, replacement of partition walls between the halls and renovations of the meeting rooms and salons. Additionally, emergency person doors were installed in the roll-up doors as a safety measure and which also allows for increases in the occupancy levels of the meeting areas.
- Improvements to Electrical Substations (\$0.400 million): This was state of good repair and a health and safety issue. The objective of this project was to assess and overhaul transformer switchgear, circuit breakers and feeders in all electrical substations on the grounds.

FIVE-YEAR STRATEGIC OBJECTIVE

Exhibition Place's Five-Year Capital Plan consists of 13 projects and 55 sub-projects totalling \$25.1 million over the five years. The majority of the work is dedicated to maintaining assets in a state of good repair and is focussed on maintenance, repair or replacement of existing physical assets.

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Recommended Capital Budget assists Exhibition Place to maintain the buildings, structures and infrastructure on its 192-acre site in a state of good repair, thereby preserving historically significant buildings and structures, addressing the health and safety concerns of Exhibition Place's employees and visitors and facilitating the economic viability of the events and activities on the site.

- 87% or \$4.45 million of the 2007 Recommended Capital Budget is for State of Good Repair projects and includes work such as the replacement of the steam heating system at the Queen Elizabeth Building (\$1.285 million) and retrofitting the main domes of the Music Building (\$0.3 million).
- 9% or \$0.45 million of the 2007 Recommended Capital Budget is for Service Improvement projects such as irrigation and landscaping in the vicinity of Stanley Barracks (\$0.25 million) and lighting controls at the Industry Building and North Extension of the Coliseum Complex (\$0.15 million).
- 3% or \$0.15 million is for a grounds-wide security card access and surveillance system (Health and Safety).
- 1% or \$0.05 million is for waste management equipment (Legislated).

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

Approximately \$20.825 million or 83% of Exhibition Place's \$25.1 million Five-Year Capital Plan consists of State of Good Repair projects. On average, the annual funding for State of Good Repair projects is \$4.165 million. Exhibition Place is using external professional resources to develop a thorough assessment of its buildings and other structures. Facility audits have been completed for four buildings at Exhibition Place and those needs are reflected in the State of Good Repair analysis. The remaining assessments are scheduled to be finished in 2007. Therefore, the Five-Year Capital Plan for 2007-2011 may not include all needs.

EXHIBITION PLACE

Approximately \$3.475 million or 9% of Exhibition Place's Five-Year Capital Plan consists of Service Improvement and Enhancement or Growth Related projects pertaining to retrofitting or improvements to the Food Building (\$0.4 million) and the Direct Energy Centre – formerly the National Trade Centre – (\$0.375 million), Environmental Restoration (\$0.75 million), as well as upgrades to equipment (\$1.95 million). These capital projects will enhance the Exhibition Place site and improve the economic viability of the activities on the site.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Coliseum Complex	123	-	-	-	-	123
Direct Energy Centre (formerly NTC)	129	-	-	-	-	129
Environmental Restoration	47	-	-	-	-	47
Parks, Parking Lots & Roads	50	-	-	-	-	50
Horse Palace	144	-	-	-	-	144
Queen Elizabeth Building	243	-	-	-	-	243
Food Building	50	-	-	-	-	50
Equipment	124	-	-	-	-	124
Other Buildings	237	-	-	-	-	237
Total Previously Approved	1,147	-	-	-	-	1,147
New Projects						
Pre-Engineering Program	200	-	-	-	-	200
Coliseum Complex	450	-	-	-	-	450
Direct Energy Centre (formerly NTC)	200	-	-	-	-	200
Automotive Building	215	-	-	-	-	215
Better Living Centre	350	-	-	-	-	350
Environmental Restoration	400	-	-	-	-	400
Parks, Parking Lots & Roads	600	-	-	-	-	600
Queen Elizabeth Building	1,285	-	-	-	-	1,285
Food Building	350	-	-	-	-	350
Equipment	600	-	-	-	-	600
Other Buildings	450	-	-	-	-	450
		1,625	-	-	-	1,625
Total New Projects	5,100	1,625	0	0	0	6,725
Total Exhibition Place	6,247	1,625	0	0	0	7,872

EXHIBITION PLACE

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

In accordance with established practice, Exhibition Place will absorb the operating costs arising from its Five-Year Capital Plan. The operating savings from energy efficiency projects at Exhibition Place have not been quantified, except for those associated with the Energy Retrofit Program. Future-year budgets will reflect estimates of operating savings from all energy efficiency capital projects at Exhibition Place.

The completion of three Energy Retrofit Program (ERP) projects at the Exhibition Place site will generate energy savings of \$0.658 million in 2007 and \$0.9 million each year for the 2008-2017 period. These savings will be used for debt repayment to recover the ERP capital expenditure on these projects.

ASSET INVENTORY

The asset inventory exercise at Exhibition Place is still in progress. It is an extensive exercise since it involves a 192-acre site with 22 historic (designated or listed) buildings and structures. Therefore, asset inventory details are not available at this time.

BACKLOG ANALYSIS

The State of Good Repair backlog at Exhibition Place is an important issue since the buildings and structures on the site have historical significance. Consultants have completed facility audits on four buildings at Exhibition Place and even though the Five-Year Capital Plan will address some of the work, the accumulated backlog on the four buildings will increase from \$2.866 million at the end of 2006 to \$15.563 million at the end of 2011.

HERITAGE TORONTO

MISSION STATEMENT

Heritage Toronto is committed to the development of a shared sense of place and memory among the citizens of Toronto, and believes that community involvement is essential to achieve this. Working with the people of the city, Heritage Toronto will interpret, support and act as an advocate on behalf of the City's historic buildings as well as natural, archaeological and cultural heritage.

2006 KEY ACCOMPLISHMENTS

- Expanded plaques/markers program to installation of 31 plaques in 2006 thereby increasing citizen awareness of the heritage of Toronto.
- Expanded community partnerships for program presentation to lectures and walking tours involving non-profit and private corporations (Total of 32 partnerships).
- Contributed to public awareness on environmental issues through promotion of the Green Roofs initiative through our Doors Open programming.

2007 PROGRAM OBJECTIVES

- T.H.I.N.K. (Toronto's Heritage: Improving Neighbourhood Knowledge) will provide curriculum based materials for elementary level students, their parents and teachers that meets the new Ontario requirements for neighbourhood specific heritage information. At the same time, working with libraries, local museums and community centres, Heritage Toronto will be encouraging local neighbourhoods to develop and tell their own stories about how their community and/or culture helped build the city as we know it today.
- Community Conservation is an effort to directly support citizen-driven programs, projects and/or services that help to conserve the heritage fabric of their neighbourhood. Projects that would not qualify for funding from other City sources will be eligible under our expanded program. In just over three years, over \$200,000 has been invested in such projects.
- Plaques and markers from all corners of the city have always provided excellent information about existing buildings and well known sites, people and events. Heritage Toronto will be putting a strong effort into identifying potential plaque projects about those who are often overlooked when looking at Toronto's history and heritage – First Nations, women and multi-cultural subjects.

PROGRAM MAP

Heritage Toronto has a total staffing complement of 6 approved positions.

HERITAGE TORONTO

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- To engage a broader array of organizations and individuals so as to reflect and better serve Toronto's diverse citizenry and to recognize the role that youth can play in the interpretation of Toronto's heritage to the broader public.
- Continue to increase self-generated revenue levels to support expansion of our programs.
- Continue to expand program partnerships with other City ABCs and Divisions with a view to enhancing efficiencies for all involved.

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	393.4	393.4	432.6	39.2	10
Materials & Supplies	76.6	74.0	72.1	(4.5)	-6
Equipment	0.0	0.0	0.0	0.0	0
Services & Rents	197.7	97.9	97.7	(100.0)	-51
Contributions & Transfers	0.0	0.0	0.0	0.0	0
Others (Includes IDCs)	3.6	0.9	3.6	0.0	0
Total Gross Expenditures	671.3	566.2	606.0	(65.3)	-10
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	0
User Fees	155.1	99.0	160.0	5.0	3
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	0
Other (Includes IDRs)	176.1	127.0	76.1	(100.0)	-57
Total Non-tax Revenues	331.1	226.0	236.1	(95.0)	-29
Net Budget	340.2	340.2	369.9	29.7	9
Approved Positions	5.0	5.0	6.0	1.0	20

2007 OPERATING BUDGET BY SERVICE

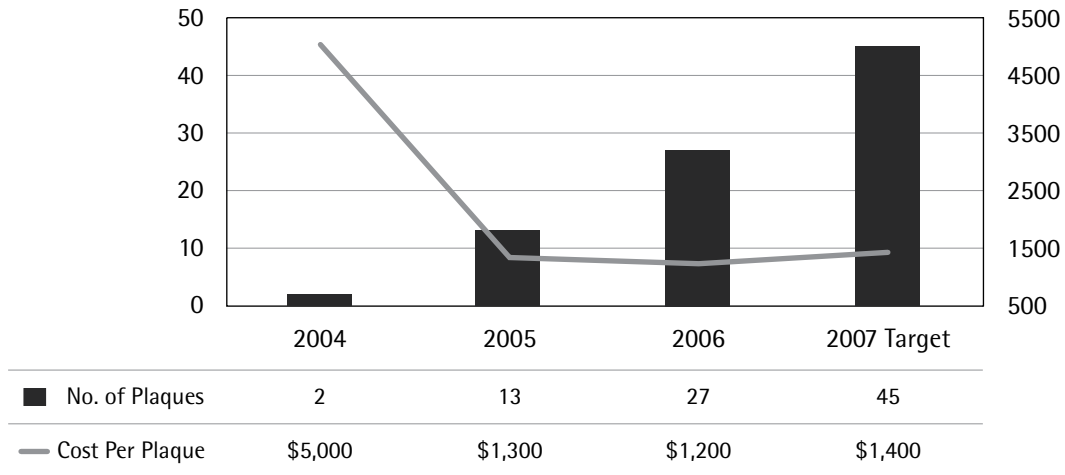
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Heritage Program	175	148	268	44	264	142	(4)	(1.6)	98	221.0
Advocacy	245	3	238	234	217	217	(21)	(8.6)	(18)	(7.6)
Heritage Fund Dev.	99	60	166	62	125	12	(41)	(24.5)	(50)	(81.3)
Total Program Budget	519	211	671	340	606	370	(65)	(9.7)	30	8.7

HERITAGE TORONTO

KEY PERFORMANCE MEASURES

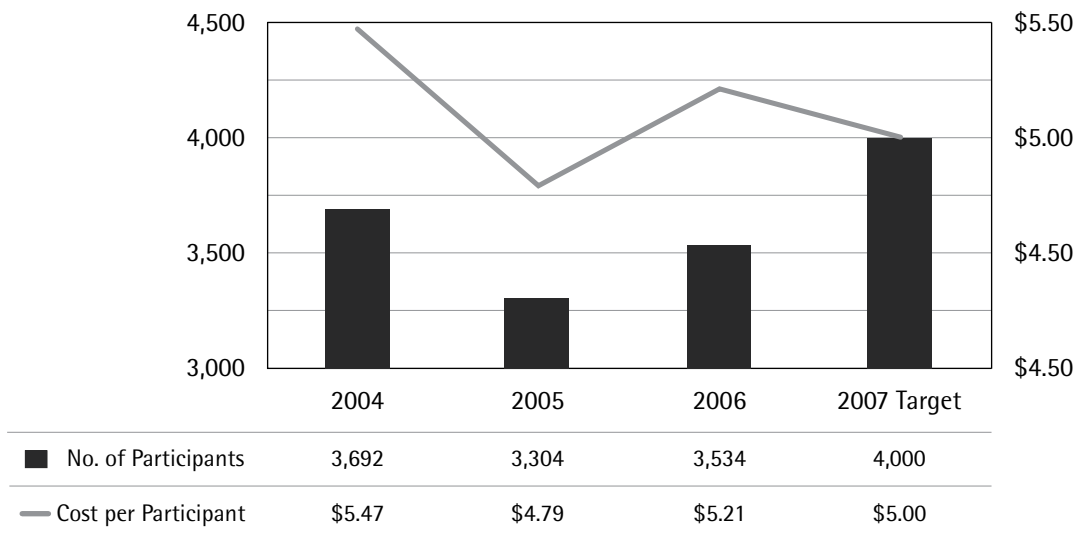
Community Impact Measure

Heritage Plaques



The Heritage Plaque program initiated in 2004 includes the identification, creation, installation and maintenance of commemorative and heritage property identification plaques as well as heritage information plaques. The program is anticipating the installation of 45 plaques in 2007 which will be the third year in full implementation of the program.

Participants of Walking Tours



Heritage Toronto partnered with 26 community organizations across Toronto in the presentation of 47 neighbourhood heritage walking tours each weekend from mid-April to late October to over 3,500 participants with the additional support of 105 Heritage Toronto Walking Tours volunteers who wrote, presented or assisted with each walk. The program is anticipating surpassing 4,000 participants in 2007 and 2008.

HERITAGE TORONTO

2007 OPERATING BUDGET HIGHLIGHTS

Enhanced Service funding of \$0.035 million gross and \$0.030 million for a new Communications Co-ordinator position will assist Heritage Toronto deliver its strategy of increasing self-generated revenue levels which contribute to overhead cost and improve the delivery of programs.

2008/2009 OPERATING BUDGET OUTLOOK

Heritage Toronto will continue to enhance the level of communications with the public, the business community and the heritage community through the appointment of a Communications Co-ordinator thereby improving efficiencies in message delivery, quality of the message delivered and awareness of heritage issues. Heritage Toronto will look to ensure greater public participation and awareness in significant heritage planning initiatives such as the future development of the First Parliament Site and to deliver feedback to City Council for incorporation into its deliberations on a wide array of city-wide issues.

PARKING TAG ENFORCEMENT & OPERATIONS

MISSION STATEMENT

The Parking Tag Enforcement & Operations program contributes to the overall safety and security of the people of City of Toronto and the enhancement of their quality of life. This is achieved through its various strategies including safe and orderly flow of vehicular traffic by enforcing the City's parking bylaws and responds to the parking concerns of the community.

2006 KEY ACCOMPLISHMENTS

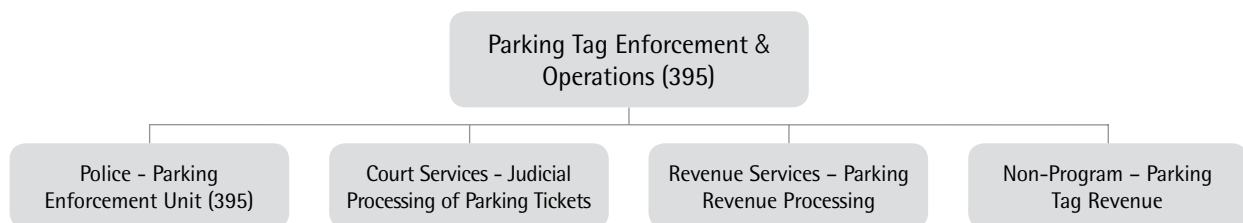
- implemented the hand-held parking device capital project was fully rolled out in 2006
- As a result of the implementation of the hand-held ticketing devices, the processable rate for parking tag issuance is expected to increase from 97% to 99.9%. These ticketing devices will result in issuance of fewer illegible tickets with missing or incomplete information.
- savings in parking tag printing and supplies due to the implementation of hand-held parking devices and other general savings

2007 PROGRAM OBJECTIVES

- The Parking Tag Enforcement & Operations over the next three years will continue with the overall safety and security of the residents of the City by focusing on the Toronto Police Service traffic safety priorities. This will be achieved through various strategies including enforcement of parking bylaws, visibility, public awareness and education programs.
- Community partnerships are essential elements in sustaining successful enforcement and education initiatives designed to improve the safety of our local and arterial roadways.

PROGRAM MAP

Parking Tag Enforcement & Operations Unit consolidates four program areas to facilitate Council's review of these related operations. A total staffing complement of 395 approved positions exists in the Police unit. Revenue Services Division's 46 positions for Parking Revenue Processing are accounted for in the City Treasurer's Operating Budget.



PARKING TAG ENFORCEMENT & OPERATIONS

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- maintain the same level of service as in 2006 (The consolidated efforts of the various operations within the Parking Tag Enforcement & Operations identified opportunities for reductions in this budget.)
- The Revenue Services' Parking Tag Operations and Court Services: judicial processing of parking tickets are working together to develop an alternate dispute process for parking tickets. Implementing this system will ensure that most parking bylaw matters are resolved through a streamlined process, administered by the City without the requirement of utilizing the Provincial Offences Act court process. It is intended to simplify and clarify the process by which parking violations disputes are processed.

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Parking Enforcement Unit	32,509	32,044	33,299	32,684	34,237	33,622	938	2.8	938	2.9
Parking Tag Operations	8,775	8,775	8,832	8,832	8,953	8,953	121	N/A	121	N/A
Judicial Processing of Parking Tickets	990	990	968	968	1,029	1,029	61	6.3	61	6.3
Parking Tag Revenue	-	(82,787)	-	(80,550)	-	(80,000)	-	-	550	(0.7)
Total Program Budget	42,274	(40,978)	43,099	(38,066)	44,219	(38,066)	1,120	2.6	1,670	(4.4)

2007 OPERATING BUDGET HIGHLIGHTS

The efficiency of the hand-held ticket devices will create in the 2007 Operating Budget:

- an increase in processable tag issuances by Police Parking Enforcement Officers resulting in increased revenue commencing in 2007
- an incentive for offenders to pay tickets early as their chances of a reduced fine diminishes, thereby eliminating additional fees the City may have received
- reduced spending in overtime as well as reduced printing and other supplies cost

2008 / 2009 OPERATING BUDGET OUTLOOK

The Parking Tag Enforcement Unit's 2008 and 2009 Outlook maintains the existing 2007 service levels with no staffing increases with the net incremental impacts to provide the Police-Parking Enforcement Unit with inflationary increases to maintain current service levels.

PARKING TAG ENFORCEMENT & OPERATIONS

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The hand-held parking tag devices project has been implemented.
- Savings have been realized in the operating budget.

FIVE-YEAR STRATEGIC OBJECTIVE

- implementation of the hand-held devices project will result in annual net operating savings of approximately \$0.664 million per year in 2007 and beyond
- increase parking tag revenues

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Capital Budget consists of \$0.434 million gross with no debt funding.

- The \$0.434 million is allocated to state of good repair annual replacement of vehicles and equipment for the Parking Enforcement Unit.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- Continue the annual expenditure requirements for the vehicle and equipment replacement program
- maintain and update the hand-held parking ticket devices

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
None	-	-	-	-	-	-
Total Previously Approved	0	0	0	0	0	0
New Projects						
Vehicle & Equipment Replacement	434	-	-	-	-	434
Total New Projects	434	0	0	0	0	434
Total Energy Retrofit Program	434	0	0	0	0	434

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to debt service costs only.

THEATRES

MISSION STATEMENT

Hummingbird Centre for the Performing Arts

To present a broad variety of entertaining and profitable theatrical and concert events for the enrichment of the diverse public in Toronto and to reinvent One Front Street East as the AHA! Centre – a window to the world for residents and tourists alike to celebrate the diversity and cultural interchange that is Toronto.

St. Lawrence Centre for the Arts

Toronto's civic cultural centre for music, the performing arts and public affairs forums. It strives to provide state-of-the-art performance facilities and services for Toronto's "not for profit" performing arts at an affordable cost.

Toronto Centre of the Arts

To ensure that the centre functions as a first class venue for a full range of performing arts to enliven and enrich the cultural life of the citizens of Toronto.

City Boards operate three City owned theatres

1. Hummingbird Centre for the Performing Arts
2. St. Lawrence Centre for the Arts
3. Toronto Centre of the Arts

2006 KEY ACCOMPLISHMENTS

Hummingbird Centre for the Performing Arts

- Successfully attracted the Radio City Christmas Spectacular to play at the centre for seven weeks in the last quarter of fiscal 2006 resulting in an additional 63 days of use.
- The Centre was the venue of choice for a number of high profile private functions in 2006.
- Continued to book attractions appealing to a wide diversity of patrons including "Lani Misalucha," "Volyn Ukrainian Dance Company," "Sonu Nigam," "Harlem Gospel Choir," "Bombay Dreams," and "Sankai Juku".
- Outperformed its bottom line fiscal target for 2006.

St. Lawrence Centre for the Arts

- Completed Phase I of the Facility Renewal Project – exterior building revitalization.
- Hired a new General Manager to replace David Wallet who retired in September 2006.
- Completed the heating retrofit project that resulted in a decrease of 40% in heating costs.

THEATRES

Toronto Centre for the Arts

- Reinstated Board of Directors with new members from the community.
- Expanded the centre's multicultural client base into the Sri Lankan community.
- Successfully completed the second annual Chinese Arts Festival.

2007 PROGRAM OBJECTIVES

Hummingbird Centre for the Performing Arts

- The Centre has set its target as 157 days of use with 144 performances attracting 296,500 paid admissions in fiscal 2007.
- The Centre operates a multi-purpose multi-cultural theatrical venue and is committed to enriching the entertainment & artistic experience of Toronto patrons.
- The Centre strives to provide high quality, reasonably priced attractions which will appeal to a wide diversity of patrons in Toronto.
- The Centre is committed to meeting its fiscal targets set with the City of Toronto.

St. Lawrence Centre for the Arts

- With the completion of Phase I of the renovation and Phase II planned to begin in June, the Centre will have a revitalized facility in which to better serve its clients and patrons.
- Upon completion of Phase II in September, a gala reopening is planned to showcase the renewed facility and to leverage the renovations into increased rentals.
- A marketing strategy geared to achieving the anticipated results will be varied and will include implementation of a marketing blitz leading to the gala reopening.
- Also planned is a "meet and greet" for prospective and current clients with advertisements in the arts community, tradeshow and direct mailings.
- Upgrading of the website to facilitate better navigation for both renters and ticket buyers is also planned.

Toronto Centre for the Arts

- The Board of Directors at the Toronto Centre for the Arts is expected to review and assess the current mandate and operating model for the Centre, continue third-party management discussions with interested parties and implement action plans to achieve the 2007 operating budget, all with an eye toward the objective of increasing use of this valuable asset while minimizing annual City financial support.

THEATRES

PROGRAM MAP

The Theatres Program is comprised of three theatres, with a total staffing complement of 177.1 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

Hummingbird Centre for the Performing Arts

- To operate a multi-purpose multi-cultural theatrical venue committed to enriching the entertainment & artistic experience of Toronto patrons.
- To provide high quality, reasonably priced attractions which will appeal to a wide diversity of patrons in Toronto.

St. Lawrence Centre for the Arts

- To implement Phase II of Renewal Project. Programming will be reduced to 57% for the year.
- To re-brand St. Lawrence Centre for the Arts - to leverage the Renewal Project into increased rentals (Marketing strategy includes implementation of marketing blitz and gala reopening.)

Toronto Centre for the Arts

- To review the Centre's current Council approved mandate and operating model.
- To continue third-party management discussions with all interested parties.
- To implement action plans to achieve the 2007 Operating Budget.

THEATRES

2007 OPERATING BUDGET BY CATEGORY (ALL 3 THEATRES)

(in \$000s)

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	11,308.4	12,922.6	10,495.5	(812.9)	-7
Materials & Supplies	2,190.4	1,952.7	1,934.9	(255.5)	-12
Equipment	9.9	37.6	415.6	405.7	4098
Services & Rents	10,172.2	8,832.3	10,551.7	379.5	4
Contributions & Transfers	539.5	1,351.4	2,201.6	1,662.1	308
Others (Includes IDCs)	5,616.3	10,562.9	4,555.0	(1,061.3)	-19
Total Gross Expenditures	29,836.7	35,659.5	30,154.3	317.6	1
Funded by					
Prov. & Fed. Grants and Subsidies	-	56.0	-	0.0	N/A
User Fees	26,744.2	29,974.5	21,057.0	(5,687.2)	-21
Reserves/Reserve Funds	-	1,475.8	4,111.5	4,111.5	N/A
Other (Includes IDRs)	187.0	1,431.0	654.0	467.0	250
Total Non-tax Revenues	26,931.2	32,937.3	25,822.5	(1,108.7)	-4
Net Budget	2,905.5	2,722.2	4,331.8	1,426.3	49
Approved Positions	201.9	207.9	210.7	8.8	4

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Hummingbird	12,874	-	22,093	128	21,498	1,175	(595)	(2.7)	1,047	816.5
St.Lawrence	3,494	1,435	3,747	1,494	4,576	1,820	829	22.1	326	21.8
TCA	3,475	1,396	3,996	1,284	4,080	1,337	84	2.1	54	4.2
Total Program Budget	19,843	2,831	29,837	2,906	30,154	4,332	317	1.1	1,426	49.1

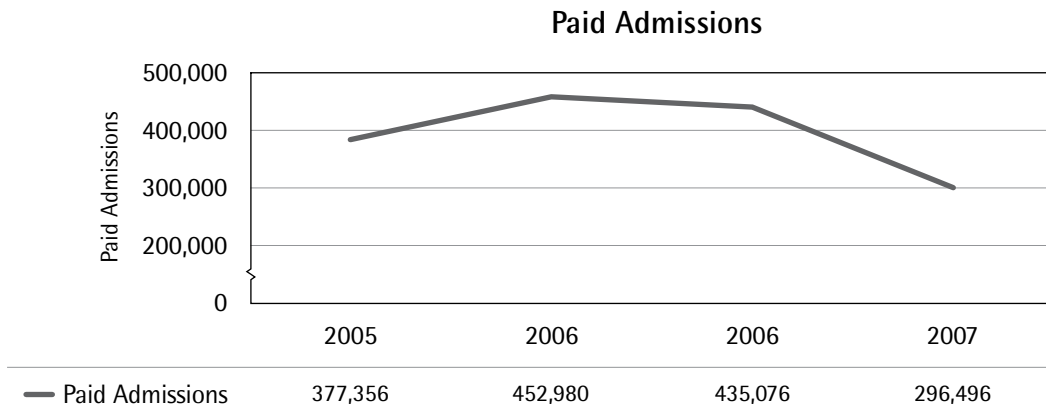
THEATRES

KEY PERFORMANCE MEASURES

Efficiency Measure

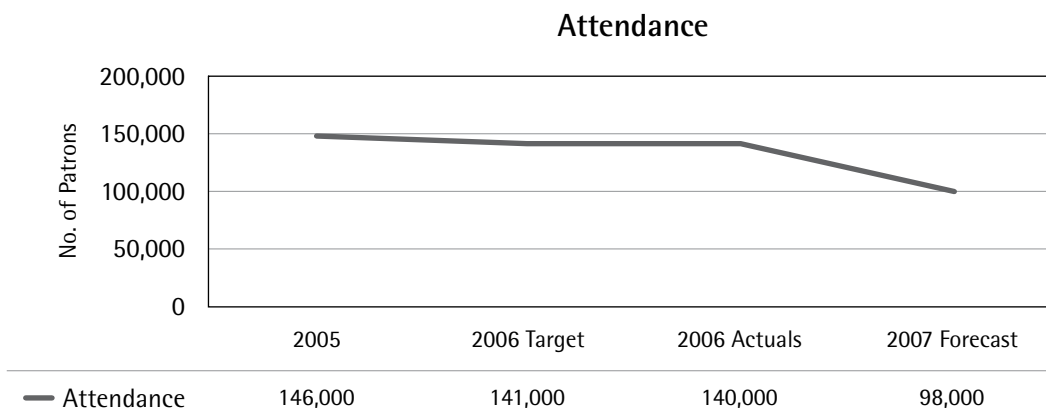
Hummingbird Centre for the Performing Arts

Hummingbird Centre for the Performing Arts measures efficiency by the volume of paid admissions among other metrics. There was an increase in 2006 due to the addition of major Christmas attraction (84 performances). The 2007 estimate is based on an average attendance of 65% for 144 performances.



St. Lawrence Centre for the Arts

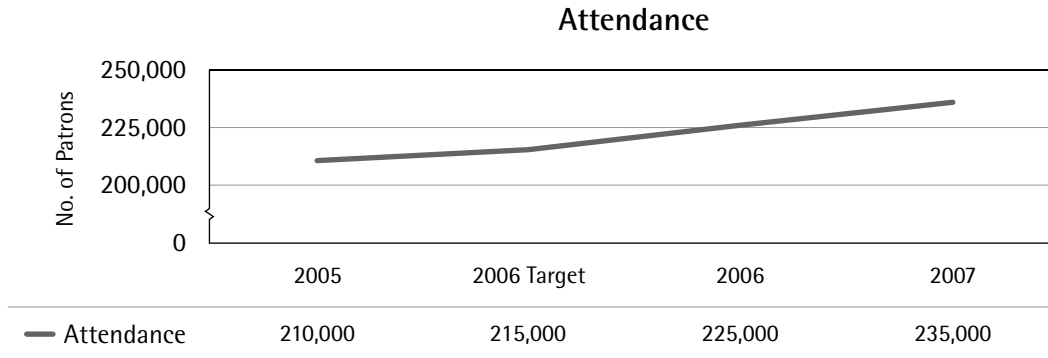
St. Lawrence Centre for the Arts measures efficiency by the level of theatre attendance. Service levels have been below target and will temporarily worsen in 2007 during the temporary shutdown to complete the facility renewal project. Attendance is expected to improve in 2008 and on.



THEATRES

Toronto Centre for the Arts

Toronto Centre for the Arts measures efficiency by the level of attendance. Attendance to the centre has been increasing steadily since 2005 and this trend is expected to continue on to 2007.



2007 OPERATING BUDGET HIGHLIGHTS

- The Hummingbird Centre for the Performing Arts has targeted to improve its 2007 base use by 44 days to achieve 157 usage days.
- St. Lawrence Centre for the Arts will implement the second and final phase of its Facility Renewal Project in 2007, which will require programming to be reduced by 20%, down to 57% for the year. There will be a gala reopening of the Centre at the end of the summer.
- Toronto Centre for the Arts will implement action plans to achieve the 2007 Approved Operating Budget and will continue third-party management discussions with all interested parties.

2008/2009 OPERATING BUDGET OUTLOOK

Hummingbird Centre for the Performing Arts

The departure of the resident companies through their move to the Four Seasons Centre has removed a significant portion of the theatre's business in the short term. The centre was successful in securing a major theatrical Christmas production for 2006. The centre is continuing to pursue new attractions for 2007 and beyond which meet its operating mandate. As stated in the business plan approved by City Council the centre expects to operate with the requirement for a net operating expenditure from Council for the immediate future. Management is engaged with finding and enhancing all available opportunities for business growth with the goal of reducing the net expenditure request in the future.

St. Lawrence Centre for the Arts

A renewed and revitalized facility will help to broaden our client base which will translate into increased programming. The centre expects to see results of these efforts in the 2008/09 period.

Toronto Centre for the Arts

The Toronto Centre for the Arts is a valuable City owned asset that will continue to actively expand its multicultural client base while operating as efficiently and effectively as possible, in order to minimize City financial support to the Centre.

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

MISSION STATEMENT

The quality of life on earth is being determined in the rapidly expanding city regions. TRCA's vision is for a new kind of community, "The Living City," where human settlement can flourish forever as part of nature's beauty and diversity.

TRCA's mission is to work with its partners to ensure that The Living City is built upon a natural foundation of healthy rivers and shorelines, greenspace and biodiversity, and sustainable communities.

2006 KEY ACCOMPLISHMENTS

- development of integrated Rouge watershed plan
- development of partnership among conservation authorities and municipalities to address drinking water quality issues in Lake Ontario
- implementation, as major partner of the Toronto Waterfront Revitalization Corporation (TWRC) and the City, of waterfront projects such as Port Union and Mimico parks and the lower Don
- approval of Generic Regulation by the Ministry of Natural Resources
- first non-school board facilities certified as EcoSchools (TRCA's educational programs reach thousands of Toronto school children each year.)

2007 PROGRAM OBJECTIVES

Toronto and Region Conservation Authority (TRCA) is experiencing the most significant turning point in the organization's history. It is building on its expertise in watershed management and land conservation, and moving far beyond those traditional mandates, to achieve a broad, ambitious, positive vision for the Toronto region in the coming decades. "The Living City" is TRCA's vision of a healthy, attractive, sustainable urban region extending into the 22nd century.

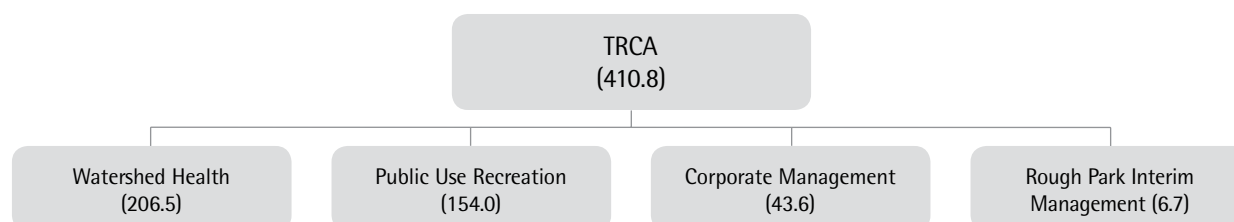
TRCA's goal is to become as trusted a resource in areas such as energy conservation, waste management, transportation policy, the design of green buildings and sustainability education, as it has been in its more traditional roles.

In the process of redesigning the organization to bring about a better future, TRCA is discovering exciting new opportunities for projects, partnerships and funding.

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

PROGRAM MAP

TRCA is comprised of four services, with a total staffing complement of 410.8 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- Climate Change Response Plan to mitigate effects (Assist Ministry of Energy in developing Ontario Climate Change and Clean Air Plan)
- update Humber, Don and Rouge watershed plans to meet Oak Ridges Moraine Conservation Plan requirements and provide enhanced wet weather flow management in the "905" area
- continued involvement in the Toronto waterfront planning and development
- support for redevelopment projects such as the Toronto Brick Works, the Guild Inn and core TRCA flood control programs

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	23,602.5	23,609.7	25,171.4	1,568.9	7
Materials & Supplies	3,132.4	3,375.4	3,455.1	322.7	10
Equipment	524.2	647.0	563.6	39.4	8
Services & Rents	8,425.9	10,094.2	9,635.8	1,209.9	14
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	(1,705.6)	(2,267.9)	(2,200.2)	(494.6)	29
Total Gross Expenditures	33,979.3	35,458.3	36,625.7	2,646.4	8
Funded by					
Prov. & Fed. Grants and Subsidies	1,042.8	1,042.8	1,042.8	0.0	0
User Fees	22,621.7	24,363.1	25,154.7	2,533.0	11
Reserves/Reserve Funds	3,596.7	3,596.7	0.0	(3,596.7)	-100
Other (Includes IDRs)	3,708.3	3,445.9	7,334.0	3,625.7	98
Total Non-tax Revenues	30,969.5	32,448.5	33,531.5	2,562.0	8
Net Budget	3,009.8	3,009.8	3,094.2	84.4	3
Approved Positions	396.2	404.8	410.8	14.6	4

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

2007 OPERATING BUDGET BY SERVICE

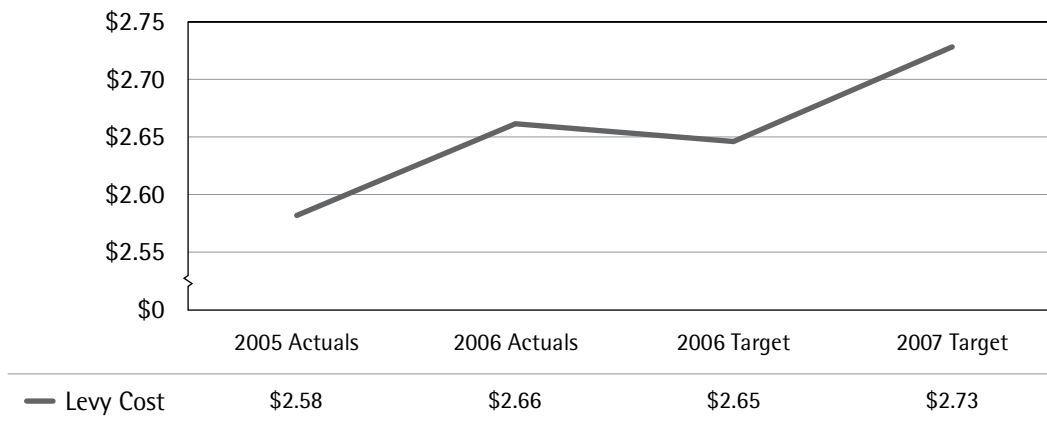
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Watershed Health	16,335	2,170	19,654	1,372	19,933	2,848	279	1.4	1,476	107.6
Public Use Recreation	8,850	1,786	9,264	659	10,842	600	-	0.0	(59)	(8.9)
Corporate Management	4,189	2,377	4,547	896	5,282	(431)	736	16.2	(1,327)	(148.1)
Rouge Park	468	75	515	83	569	77	54	10.4	(6)	(7.6)
Total Program Budget	29,842	6,409	33,979	3,010	36,626	3,094	2,646	7.8	84	2.8

KEY PERFORMANCE MEASURES

Efficiency Measures

TRCA measures its efficiency in Toronto by the level of the per capita cost to Toronto residents. The cost of the TRCA levy to each Toronto resident was \$2.66 in 2006 and is expected to be \$2.65 in 2007.

Per Capita Levy (Toronto Residents)

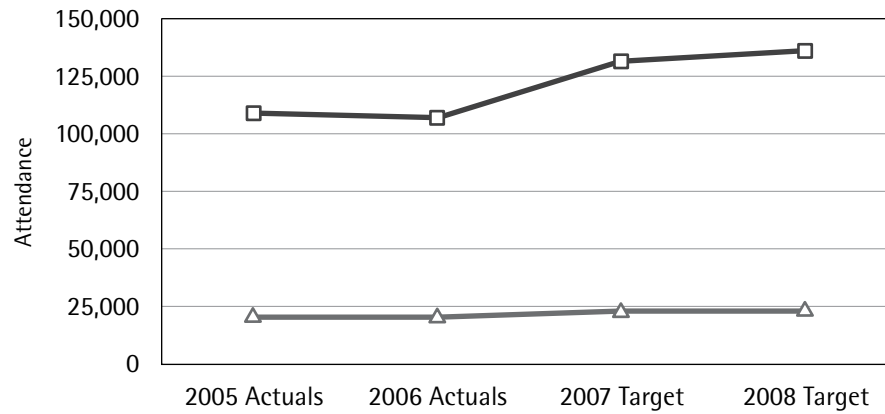


TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

Community Impact Measure

TRCA measures its community impact by the number of participants in its conservation education programs. TRCA operates three Field Centres and a day-use facility called the Kortright Centre which are used by students and residents in the Greater Toronto Area (GTA). Both continue to be well used with growth being seen at the Field Centres where usage is recovering after the closure of a fourth centre in 2001.

Conservation Education



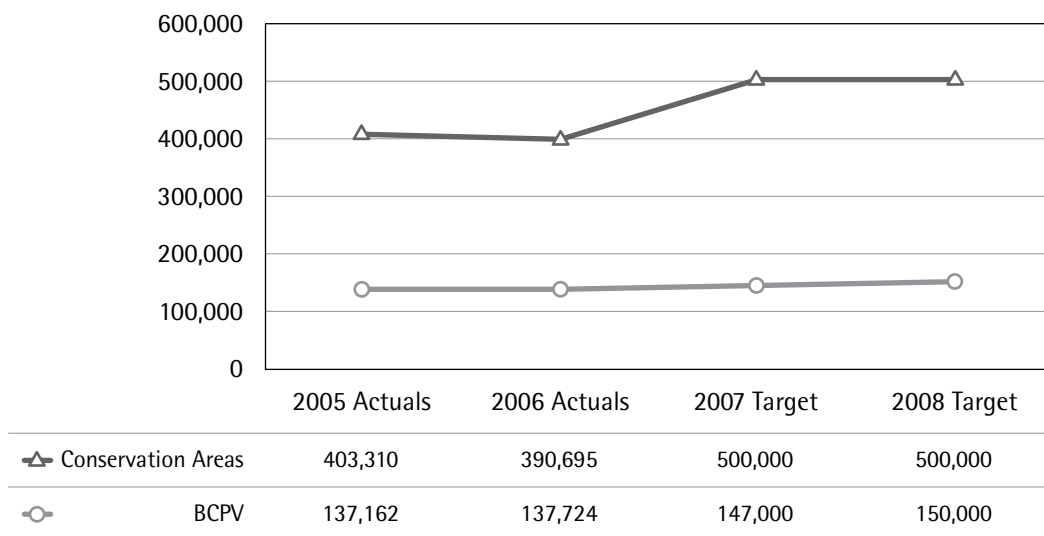
	2005 Actuals	2006 Actuals	2007 Target	2008 Target
☐ Kortright	108,336	106,129	132,000	135,000
☐ Field Centres	21,565	21,371	23,000	23,000
Satisfaction Survey (out of 5)	4.6	4.6	4.8	4.8

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

Efficiency and Community Impact Measure

TRCA measures its efficiency and community impact in its public use and recreation services in Toronto by the number of visitors to Conservation Areas and Black Creek Pioneer Village (BCPV). TRCA engaged more than 500,000 visitors at these facilities with numbers increasing in a competitive tourist market. TRCA managed to achieve improved attendance figures despite business being dependent on the climate and other environmental factors.

Public Use Attendance



2007 OPERATING BUDGET HIGHLIGHTS

The TRCA 2007 Recommended Budget supports the following strategic priorities:

- To assist the Ministry of Energy in developing an Ontario Climate Change and Clean Air Plan as a response plan to mitigate the effects of climate change
- To update the Humber, Don and Rouge watershed plans to meet Oak Ridges Moraine Conservation Plan requirements and provide wet weather flow management in the area around Toronto
- To shift the emphasis of education and programs at Black Creek Pioneer Village to recognize the need to support new Canadians and multicultural communities
- To continue to be involved in the Toronto waterfront planning and development
- To support redevelopment projects such as the Toronto Brick Works, the Guild Inn and core TRCA flood control programs

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

2008/2009 OPERATING BUDGET OUTLOOK

TRCA recognizes that the increased level of support from the City and TRCA's other funding partners in 2008/9 must be balanced against the fiscal pressure of the partners. TRCA will maintain its programs and activities and continue to pursue The Living City vision within a constrained municipal financial environment, while continuing to leverage its municipal funding by a factor of three or four. TRCA through its growing relationships with the federal and provincial governments, and The Conservation Foundation of Greater Toronto, will seek to improve the leverage value of municipal investment.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- Valley and Shoreline Regeneration: the storm of August 19, 2005 necessitated resetting of priorities in 2006 and beyond. Major work was done at Toronto Parks sites. Wicksteed Avenue was also completed.
- Lake Ontario Waterfront Regeneration: the 2006 budget was constrained and so there was less activity, historically. The largest items were for dredging at the Keating Channel and Ashbridges Bay.
- Toronto Remedial Action Plan: restoration initiatives in the Humber, Don and Etobicoke-Mimico watersheds and the waterfront. Monitoring and urban land use impact studies, sustainability demonstrations, watershed environment studies and Black Creek channel maintenance.
- Black Creek Pioneer Village Retrofit: phase 2 of the conversion of buildings from electrical to natural gas. Structural, electrical, windows and plumbing work took place at Flynn, School, Samuel Strong Education Building and Second House.
- Public Use Infrastructure Project: electrical, roof, window, retaining walls, chimney, road repairs and replacements.
- Major Facilities Retrofit Project: installed electrical power generator, added disabled access features at Head Office and completed a natural gas installation at Boyd Office.
- Information Technology Equipment Project: ongoing upgrades of existing desktop and laptop units to TRAC standard; Phase 2 of the implementation of the LaserFiche Electronic Document management System; replaced retain point-of-sale system; upgraded telephony PBX system, Symposium software and Symposium server; upgraded from Meridian Mail to Call Pilot; and initiated Enterprise Relational Database project.
- Greenspace Protection and Acquisition Project: acquired 20-200 acres of environmentally significant land within the watersheds of the City through 20-30 transactions.

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan for Toronto and Region Conservation Authority (TRCA) is comprised almost entirely of capital projects specifically benefiting the City of Toronto and area located within the City's borders. There are 10 projects and 32 sub-projects totalling \$43.764 million gross and \$14.192 million debt. These projects support the strategic objectives of TRCA's vision for The Living City which encompasses healthy rivers and shorelines, regional bio-diversity, sustainable communities and business excellence.

More specifically, TRCA's Five-Year Capital Plan contains projects with the objectives of flood protection, which addresses safety concerns in flood prone areas; erosion protection, which addresses safety concerns where land loss is occurring along river valleys and shorelines; waterfront regeneration, which consists primarily of parkland and habitat creation along the Lake Ontario waterfront (with associated water quality monitoring); infrastructure repairs and maintenance in support of the foregoing objectives; and environmental rehabilitation through the Toronto Remedial Action Plan.

2007 CAPITAL BUDGET HIGHLIGHTS

- Ninety-six per cent or \$5.772 million of the 2007 new cash flow is for State of Good Repair projects to preserve the natural environment throughout Toronto and 4% or \$0.22 million is for Service Improvement projects to develop the waterfront at Tommy Thompson Park and Arsenal Park.
- The TRCA 2007 Approved Capital Budget contains ongoing, phased projects and delivers \$1.733 million gross in watershed monitoring and regeneration as part of the Toronto Remedial Action Plan and green space acquisition, \$1.451 million gross in waterfront development work, \$1.448 million in waterfront and valley erosion control and \$1.36 million in public-use infrastructure, information technology replacement items and retrofitting and other improvements at major facilities including Black Creek Pioneer Village, the Kortright Centre and conservation areas.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan contains ongoing phased projects with the objectives of flood protection; erosion protection; waterfront regeneration (parkland and habitat creation and water quality monitoring); infrastructure maintenance; and environmental rehabilitation through the Toronto Remedial Action Plan.

- Approximately 96% or \$29.561 million of TRCA's Five-Year Capital Plan consists of State of Good Repair projects. On average, the annual funding allocation for State of Good Repair projects is \$5.9 million.
- Approximately 4% or \$1.203 million of TRCA's Five-Year Capital Plan consists of service improvement and enhancement or growth related projects pertaining to waterfront development.

TORONTO & REGION CONSERVATION AUTHORITY (TRCA)

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
None	-	-	-	-	-	-
Total Previously Approved	-	0	0	0	0	-
New Projects						
Greenspace Land Acquisition	67	-	-	-	-	67
Public Use Infrastructure	201	-	-	-	-	201
Waterfront & Valley Erosion Control	1,448	-	-	-	-	1,448
Black Creek Pioneer Village Retrofit	350	-	-	-	-	350
Toronto Remedial Action Plan (RAP)	1,666	-	-	-	-	1,666
Major Facilities Retrofit	335	-	-	-	-	335
Waterfront Development	1,451	-	-	-	-	1,451
TRCA Information Technology	268	-	-	-	-	268
Kortright/Living City Centre Retrofit	206	-	-	-	-	206
Total New Projects	5,992	-	-	-	-	5,992

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

In accordance with established practice, TRCA will absorb the operating impact of its 2007 Capital Budget, except in cases where TRCA will hand over a completed project to a City agency to manage ongoing operations. For example, upon completion of TRCA's capital work on ravine parkland, TRCA hands over the operation of the park to the City's Parks, Forestry and Recreation Division. This impacts the operating budget of Parks, Forestry and Recreation. TRCA's 2007 Recommended Capital Budget does not reflect these costs but future-year budgets will include such impacts.

ASSET INVENTORY

TRCA owns almost 600 properties in Toronto with an estimated market value of just under \$90 million.

BACKLOG ANALYSIS

TRCA's accumulated State of Good Repair backlog at the end of 2006 was \$158.736 million. This figure includes maintenance of the natural environment through activities such as erosion control and source water protection. During the period 2007-2011, TRCA will address its annual State of Good Repair needs and reduce its backlog so that the estimated accumulated backlog by the end of 2011 will be \$145.728 million.

TORONTO ATMOSPHERIC FUND (TAF)

MISSION STATEMENT

To help slow global climate change and improve local air quality by using TAF's assets and revenue to advance local initiatives that reduce Toronto's greenhouse gas emissions.

2006 KEY ACCOMPLISHMENTS

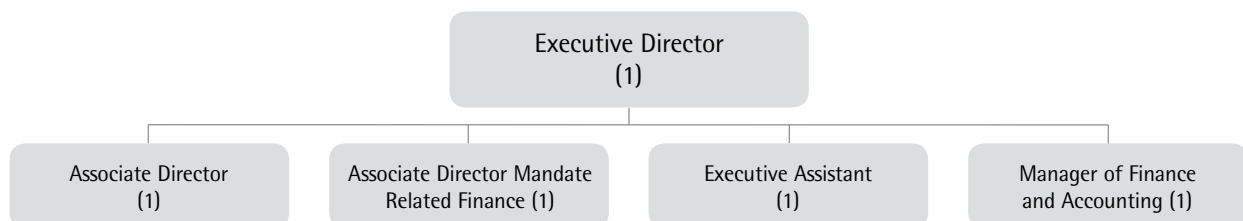
- completed greenhouse gas and air emissions inventory and analysis for the City, for use in the development of a community-wide reductions strategy
- provided \$1.04 million in grants to City and community in support of innovative emission reduction activities
- completed governance renewal process and established an Operating Directive with the City.
- secured provincial assent of the updated TAF Act
- improved financial return on portfolio investments by implementing new investment powers granted in the updated TAF Act
- established policies and procedures for mandate related financings

2007 PROGRAM OBJECTIVES

- enhance in-house financing and lending expertise
- enhance capacity, through partnership-building and fundraising to meet expanding public interest in emission reduction activity
- increase local emission reduction results by working with an international consortium of the world's largest cities

PROGRAM MAP

The Toronto Atmospheric Fund is comprised of one service, with a total staffing complement of 4 approved positions.



TORONTO ATMOSPHERIC FUND (TAF)

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- seek projects with greater impact
- adopt an integrated campaign style for one or two key areas
- strengthen public communications
- develop partnerships
- expand the TAF model to the Greater Toronto Area (GTA)
- ensure organizational capacity

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	264.0	255.5	323.0	59.0	22
Materials & Supplies	19.1	14.6	19.0	(0.1)	-1
Equipment	5.1	7.6	5.0	(0.1)	-2
Services & Rents	63.1	77.6	79.4	16.3	26
Grants	997.9	985.5	988.4	(9.5)	-1
Special Projects	300.0	313.5	320.0	20.0	7
City Mandated Contribution	100.0	100.0	100.0	0.0	0
Operating Fund Contribution	546.4	560.4	0.0	(546.4)	-100
Stabilization Fund Contribution	0.0	117.9	0.0	0.0	N/A
Total Gross Expenditures	2,295.6	2,432.6	1,834.8	(460.8)	-20
Funded by					
Investment Performance	1,880.0	2,046.1	1,323.2	(556.8)	-30
Loans	66.0	17.9	62.0	(4.0)	-6
Grants	349.6	349.6	349.6	0.0	0
Sundry	0.0	19.0	0.0	0.0	N/A
Fundraising	0.0	0.0	100.0	100.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	2,295.6	2,432.6	1,834.8	(460.8)	-20
Net Budget	0.0	0.0	0.0	0.0	N/A
Approved Positions	4.0	4.0	4.0	0.0	0

TORONTO ATMOSPHERIC FUND (TAF)

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Toronto Atmospheric Fund	1,649	-	2,296	-	1,835	-	(461)	(20.1)	-	0.0
Total Program Budget	1,649	-	2,296	-	1,835	-	(461)	(20.1)	-	0.0

KEY PERFORMANCE MEASURES

Investments

- real rate of return on investment portfolio, net of all management and transaction costs – 4.5%, averaged over a moving four-year period (Returns on each asset class are compared to its benchmark index.)
- loans portfolio – up to 1/3 of TAF's investment portfolio to be placed in mandate-related financing projects
- rate of return on mandate-related loans – 1.5% to 3.0% above Canada Bond benchmark rate for similar term
- leverage of TAF's financing – 1:4 to 1:5 basis on each financing project

Grants

- grant payout – 4.0% of operating fund measured on a four-year rolling average basis
- grants to the City – average of 30% to 40% of total grants and special projects measured on a four-year rolling average basis

Administration

- total administration costs – not to exceed 1.5% of operating fund per year

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- grants to community non-profit and charitable organizations, the City and special purpose bodies
- financing to municipal, public and private agencies
- funding for special projects that promote air quality and further TAF's mandate
- fundraising from external sources for TAF and City projects
- support to the City including:
 - > grant and loan funding for City departments and special purpose bodies to support City priorities that fall within TAF's mandate areas
 - > special intergovernmental initiatives benefiting the City including:
 - Annual Smog Summit
 - GTA Clean Air Council

TORONTO ATMOSPHERIC FUND (TAF)

- staff participation in various City committees, including:
 - Air Quality Strategy Group
 - Toronto Grants Coordinating Committee
 - Toronto Renewable Energy Action Planning group
- fundraising for City initiatives such as the City of Toronto Air Emissions Inventory
- project development, fundraising and technical assistance to City staff

2008/2009 OPERATING BUDGET OUTLOOK

- continue current program objectives
- seek to expand resources and partnerships to support city climate plans

TORONTO POLICE SERVICE

MISSION STATEMENT

We are dedicated to delivering police services in partnership with our communities to keep Toronto the best and safest place to be.

2006 KEY ACCOMPLISHMENTS

- The Service, with financial assistance from the Province, launched a City-wide Toronto Anti-Violence Strategy (TAVIS) to address escalating street violence, particularly gun violence. The combination of strict enforcement, relentless pursuit of violent criminals, strategic deployment of uniform resources, and effective community partnerships made a significant difference – the number of gun-related homicides decreased by almost half to 29 from 52 in 2005.
- Project Triple-X: more than 100 search warrants executed, more than 100 arrests made, 1,000+ charges laid, and 36 firearms, 24 kilos of cocaine and marijuana, five vehicles and \$400,000 in cash seized and dismantled a notoriously violent street gang.
- Toronto Police Service officers issued almost twenty thousand tickets (19,443) to motorists, cyclists, and pedestrians during the two-week-long Safe Journey campaign.
- The Toronto Police Service hired and trained nearly 500 new police officers and 200 civilians in 2006, adding much needed support to the front-line and securing new skills, languages, and cultural competencies within the organization. More than half of the August recruit class (54%) was made up of women and visible minorities.
- The Youth in Policing Initiative (YIPI), funded by the Province, enabled 100 youths from priority neighbourhoods across Toronto to work in a variety of areas within the Service. The objective of the program was to acquaint youth with the police and give them a look at policing as a career.
- In 2006, the Toronto Crime Stoppers program, recipient of a number of international awards, was named the most outstanding of 1,200 international Crime Stoppers programs. In 2006, almost 7,000 tips came into Crime Stoppers by phone lines and the Internet, helping clear 616 cases and resulting in 530 arrests. Police seized over \$3 million in stolen property and over \$23.6 million in illegal drugs as well.
- Public Complaints about the conduct of police officers, policing services delivery, and Service policies decreased 23% from 2005.
- Members of the Toronto Police Service raised a total of \$563,000 for United Way in 2006 – a record high level and \$71,000 over 2005.

2007 PROGRAM OBJECTIVES

Community Policing Partnerships

- develop partnerships with youth, community, and/or government/public agencies/services/organizations to address problems in neighbourhoods with high levels of violent crime
- create partnerships with youth, community, and/or government/public services/agencies/organizations to assist in the development and implementation of initiatives to decrease involvement of youth in criminal activities, especially violent crime

TORONTO POLICE SERVICE

- increase community awareness of and opportunities to provide input on neighbourhood policing issues/ concerns and/or to participate in neighbourhood problem-solving
- develop partnerships with community and/or government agencies/services to address concerns related to the comfort or protection of witnesses, especially youth, in providing police with information on violent crime
- improve partnerships with the community media, the mainstream media, and the ethnic media to increase the amount of crime prevention information available to Toronto's neighbourhoods and diverse communities

Safety of Vulnerable Groups

- increase enforcement activities and education initiatives to encourage reporting of child abuse, child pornography, and the sexual exploitation of children
- improve response to victims of domestic violence
- increase referrals for support and assistance for child witnesses of domestic violence
- improve response to adult victims of sexual assault
- focus on violent crime, decrease and prevent victimisation of children and youth, particularly within schools and surrounding communities

Community Safety & Security

- increase prevention and enforcement efforts to address violent crime, specifically homicides and firearms-related offences
- increase enforcement activities and education initiatives to encourage reporting of hate crime offences

Traffic Safety

- improve response to neighbourhood traffic concerns
- increase focus on pedestrian safety, especially seniors
- increase enforcement related to aggressive driving and speeding offences
- increase focus on cyclist safety and enforcement of cycling offences

Delivery of Service

- ensure officers conduct daily duties and interactions with the public in a professional, non-biased, and ethical manner, with a focus on 'customer service'
- increase the visible presence of the Police Service in the community, focusing on uniformed officers and volunteers (including the Auxiliary)
- enhance efforts to improve understanding of police role/responsibilities and services provided, as well as citizen rights and responsibilities through increased information/education initiatives for areas such as domestic violence, general information to recent immigrants, traffic/driving, immigration status, etc.; focusing on Toronto's ethnic and visible minority communities

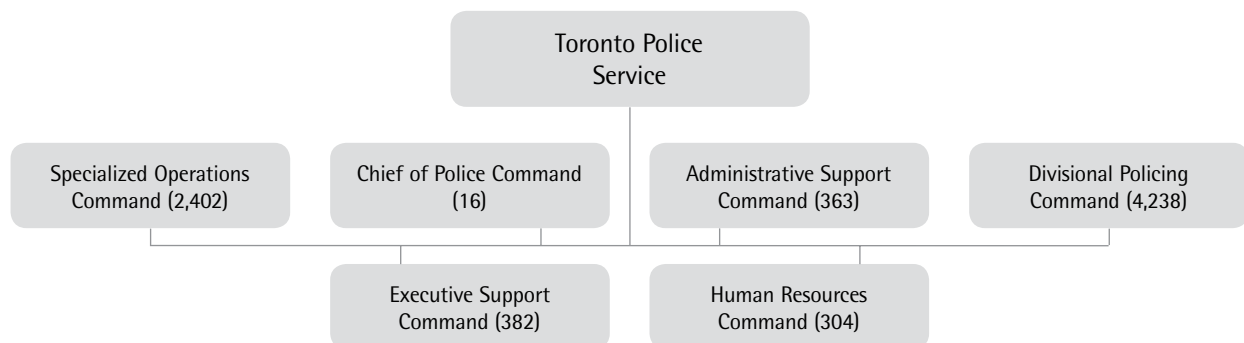
TORONTO POLICE SERVICE

Human Resources

- ensure all Service members conduct daily duties and interactions with other Service members in a professional, non-biased, and respectful manner
- increase recruitment, hiring, promotion, and retention of those from identified groups (women, visible minorities, aboriginal peoples, the disabled, gay and lesbian, sexual orientation, speak more than one language)
- ensure the organization supports the role of front-line divisional officers as community leaders by providing increased training in problem identification, problem-solving, identifying community resources, building community partnerships, community mobilisation, and by revising front-line officer performance evaluation to reflect activities in these areas
- revise the current one-time diversity training for Service members to reflect a continuous learning environment

PROGRAM MAP

Toronto Police Service includes a total of 7705 uniformed and civilian staff in 2007.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

Community Policing Partnerships

Effective, accountable policing is the result of partnership between police and the community. Community issues cannot be dealt with solely by police; community members often have a better understanding of the problems and concerns in their neighbourhoods. The Service is committed to transforming the organization through a strategy of community mobilisation, that is, actively engaging the community and social agencies in developing and implementing sustainable solutions to local problems. Effective police-community partnerships, oriented to the needs of the community, should not only reduce crime, but also decrease fear of crime and enhance the quality of life in the community.

Safety of Vulnerable Groups

The Service will continue to address the dangers to and concerns of those most vulnerable to victimisation in our society, particularly women and children. While addressing the needs of women and children who are victimised is a multi-faceted task that the police must carry out together with community partners,

TORONTO POLICE SERVICE

improving the police response in particular should provide these victims with reassurance that the Service is committed to their safety, and assist them in accessing the help they require to prevent further victimisation.

Community Safety & Security

Members of the community should be able to move about and conduct their personal and business lives without fear of intimidation, harassment, or attack. Even a small number of crimes, especially violent crimes, can negatively affect perception of safety and quality of life. Effective police response and a relationship with the community that encourages input, co-operation, and participation are vital to the prevention and investigation of these crimes.

Traffic Safety

The traffic on Toronto's roadways affects almost everyone within the City. The safe and efficient flow of traffic, and the safety of our drivers, passengers, cyclists, and pedestrians, are, therefore, of significant concern to the Toronto Police Service. Building partnerships and mobilising local communities to respond to local traffic problems will assist in sustaining successful efforts and improve neighbourhood roadway safety. On a wider scale, by focusing efforts on increased enforcement of traffic offences and safety education for those most at risk, the Service also seeks to improve conditions on City roadways for everyone.

Delivery of Service

The manner in which police provide service to the community can be a major determinant of the success of a Police Service. TPS recognises and values the diversity of the City, and does not tolerate any discrimination in the delivery of service. With the aim of fostering a mutually respectful and beneficial relationship, they are committed to providing service that is accountable, professional, non-biased, and oriented to community needs. In delivering service, it is often important that police be a visible part of the community. Visibility can be an effective form of crime prevention, can offer the opportunity for police and public to build relationships and can generally make communities feel safer.

Human Resources

Members, both uniform and civilian, are central to our organisation. Although the Toronto Police Service generally enjoys the good opinion of the communities it serves, the Service must always strive to preserve and improve this positive regard and our relationships with our communities. The Service must ensure that members have the skills and abilities they need to provide effective, professional, non-biased services to address the needs of our diverse communities. The Service must also ensure that it continues to strive to be representative of the communities it serves.

TORONTO POLICE SERVICE

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget \$	%
Salaries & Benefits	712,198.4	672,701.0	740,079.7	27,881.3	4
Materials & Supplies	16,576.8	16,339.7	16,601.2	24.4	0
Equipment	6,390.2	9,409.0	6,560.2	170.0	3
Services & Rents	34,503.7	33,623.7	37,132.8	2,629.1	8
Contributions & Transfers	11,929.6	60,398.1	14,529.6	2,600.0	22
Others (Includes IDCs)	15,307.9	15,246.6	15,274.7	(33.2)	0
Total Gross Expenditures	796,906.6	807,718.1	830,178.2	33,271.6	4
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	5,033.0	17,452.1	5,033.0	0.0	0
Other (Includes IDRs)	39,498.7	44,028.2	40,187.1	688.4	2
Total Non-tax Revenues	44,531.7	61,480.3	45,220.1	688.4	2
Net Budget	752,374.9	746,237.8	784,958.1	32,583.2	4
Approved Positions	7,580.0	7,580.0	7,705.0	125.0	2

2007 OPERATING BUDGET BY SERVICE

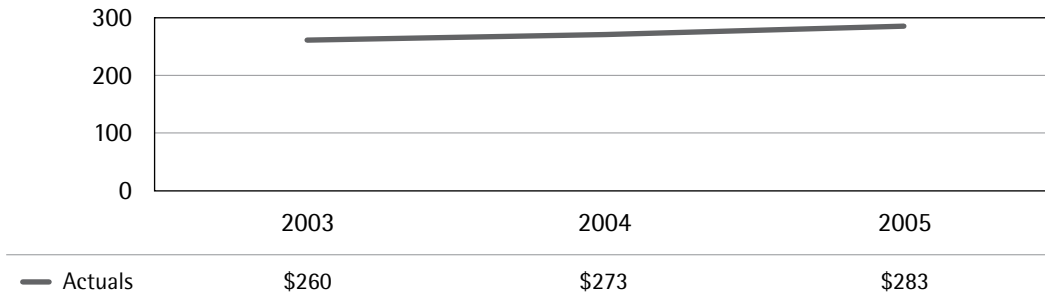
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Toronto Police Service	748,691	716,103	796,907	752,375	830,178	784,958	33,272	4.2	32,583	4.3
Total Program Budget	748,691	716,103	796,907	752,375	830,178	784,958	33,272	4.2	32,583	4.3

TORONTO POLICE SERVICE

KEY PERFORMANCE MEASURES

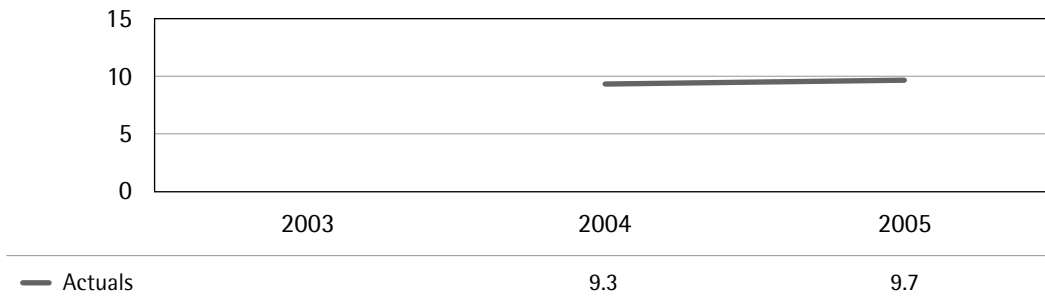
Efficiency Measure

Spending Per Capita (\$)

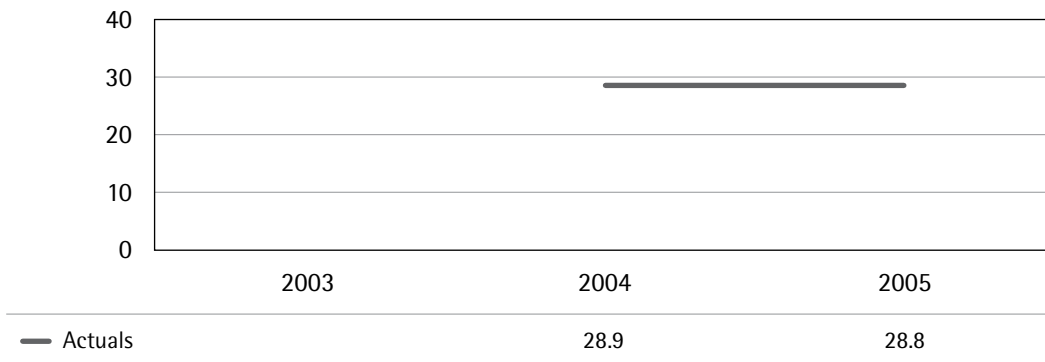


Community Impact Measures

Violent Crime Per 1,000 Population

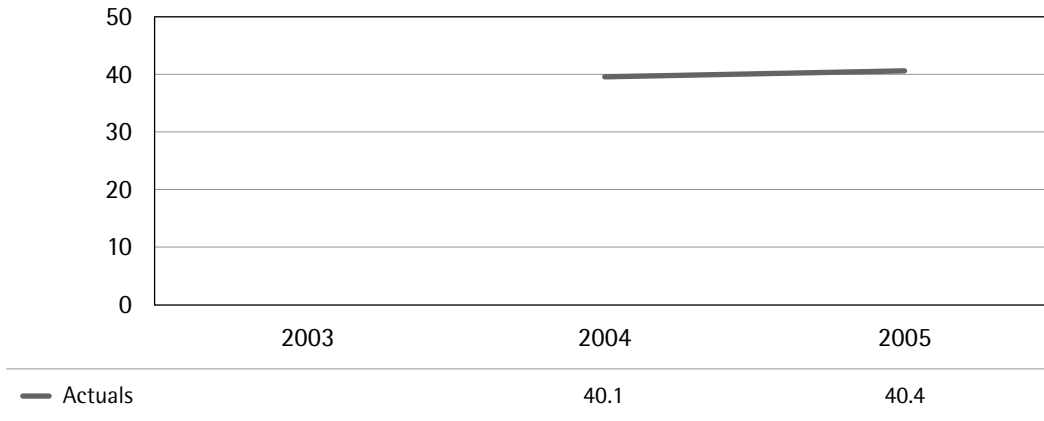


Property Crime Per 1,000 Population

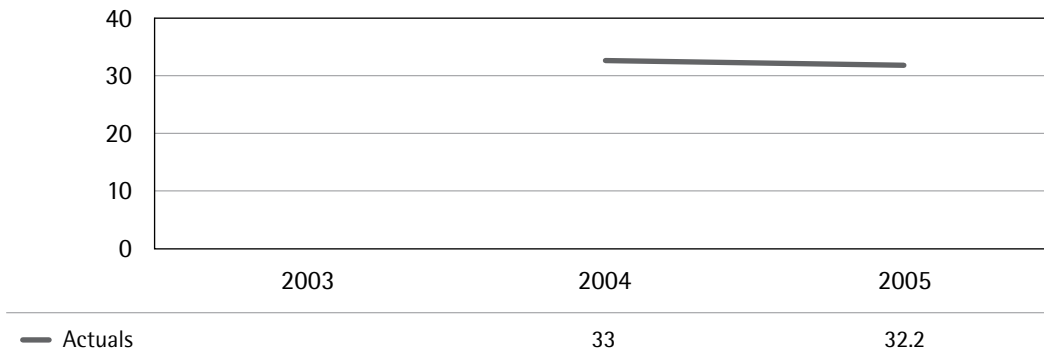


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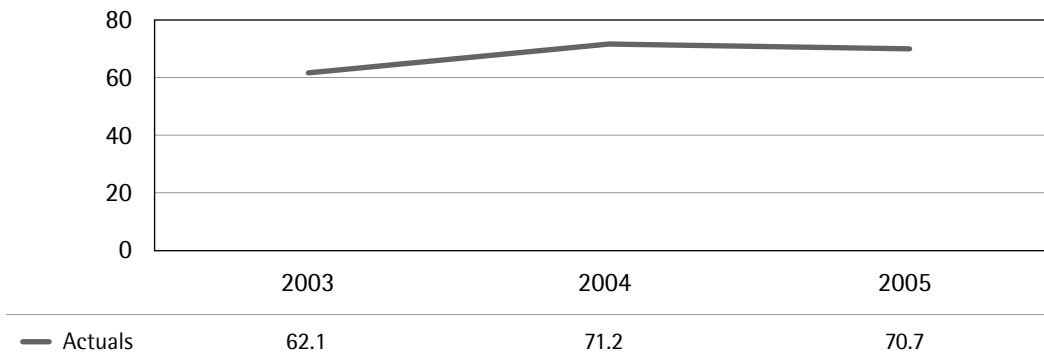
Youth Crime (Youth Charged) Per 1,000 Population



Other Criminal Code Offences (Non-Traffic) Per 1,000 Population



Total Crime (Non-Traffic) Per 1,000 Population



TORONTO POLICE SERVICE

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services

- continuation of existing programs at 2006 service levels
- provides annualized funding for the 204 police officers hired during 2006 under the Safer Communities Partnership program for a total uniform target strength of 5,510
- provides part-year funding for 90 additional Court Security Officers for 15 net new provincial courtrooms being opened in 2007
- provides sufficient funding of costs related to the 2005 to 2007 salary settlement

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 Outlook includes an annualization of \$3.6 million for the 90 new Court Security Officers planned to be hired in mid-2007.
- Salary pressures will continue in 2008 and 2009 as a result of a new collective agreement starting in 2008, and the Toronto Police Service mandate to maintain its current service level of 5,510 uniformed officers.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- continued construction of the 23 Division Facility with a target completion date of early 2007
- obtained possession of the Traffic Services and Garage Facility (9 Hanna)
- The In-Car Camera pilot project continued during 2006 with twelve marked cars at 13 Division and six at Traffic Services.
- continued lifecycle replacement of various information technology equipment and police vehicles

FIVE-YEAR STRATEGIC OBJECTIVE

A needs assessment study of the Police facilities was completed in 1996. This Five-Year Capital Plan is consistent with the needs assessment study and addresses the Program's state-of-good-repair needs arising from the facility assessment, as well as IT upgrades, vehicle and handheld radio replacement.

Ninety-three per cent of the total cash flow of \$254.209 million in the Council Approved Five-Year Capital Plan (2007 Council Approved Budget and 2008-2011 Plan) excluding 2006 funding carried forward into 2007, is allocated to State of Good Repair projects at \$236.752 million; 7% is allocated to Service Improvement projects at \$16.707 million; and less than 1% of funding is allocated to Health and Safety projects at \$0.750 million. The gross costs include the purchase of land which is funded from reserve funds and does not affect the debt targets.

TORONTO POLICE SERVICE

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Council Approved Capital Budget provides funding for work on three major projects in 2007:

- construction of New Training Facility (\$26.169 million)
- replacement of 11 Division (\$3.000 million)
- police vehicle replacement (\$5.098 million)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan is driven primarily by the Facility Projects, including the New Training Facility, and replacement of the handheld radios which will be obsolete in 2011.

The 2007 Council Approved Five-Year Capital Plan totals \$277.580 million including carry forward of 2006 funding into 2007, and provides funding for the following major projects:

- construction of New Training Facility (\$71.024 million)
- police hand-held radio replacement (\$27.200 million)
- replacement of 14 Division (\$27.890 million)
- replacement of 11 Division (\$29.798 million)
- police vehicle replacement (\$25.230 million)

TORONTO POLICE SERVICE

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
State of Good Repair	484	-	-	-	-	484
11 Division	2,500	555	445	-	-	3,500
14 Division	5,230	1,952	6,652	9,346	-	23,180
23 Division	1,704	-	-	-	-	1,704
41 Division	3,254	-	-	-	-	3,254
New Police Training Facility	15,812	26,907	-	-	-	42,719
54 Division	1,708	-	-	-	-	1,708
TRMS Additional Functionality	1,903	215	-	-	-	2,118
HRMS Additional Functionality	1,415	745	500	-	-	2,660
Furniture Lifecycle Replacement	1,001	-	-	-	-	1,001
Digital Photography Conversion	146	-	-	-	-	146
Strong Authentication	633	-	-	-	-	633
Traffic Services & Garage Facility	250	-	-	-	-	250
Replacement of Call Centre Management	296	-	-	-	-	296
Facility Fencing	561	515	-	-	-	1,076
Automated Vehicle Location System	754	405	-	-	-	1,159
Voice Logging System	301	-	-	-	-	301
Workstation, Laptop, Printer Replacement	86	-	-	-	-	86
Server	108	-	-	-	-	108
IT Business Resumption	1,189	-	-	-	-	1,189
Advanced Taser Deployment	139	-	-	-	-	139
Jet Forms Replacement	550	-	-	-	-	550
In Car Camera	124	-	-	-	-	124
Digital Video Asset Mgmt	2,098	2,015	1,300	-	-	5,413
Radio Communication Replacement	200	-	-	-	-	200
Total Previously Approved	42,446	33,309	8,897	9,346	0	93,998
New Projects						
State of Good Repair	1,700	-	-	-	-	1,700
11 Division	3,000	-	-	-	-	3,000
14 Division	-	-	-	193	4,517	4,710
23 Division	500	-	-	-	-	500
New Police Training Facility	11,449	11,756	5,100	-	-	28,305
Vehicle & Equipment Replacement	5,098	-	-	-	-	5,098
Workstation, Laptop, Printer Replacement	4,341	-	-	-	-	4,341
IT Business Resumption	260	-	-	-	-	260
In Car Camera	1,000	2,300	2,300	2,400	-	8,000
Intelligence/Special Investigations Facility	1,000	1,000	-	-	-	2,000
Property Evidence Mgmt Storage	258	-	-	-	-	258
Geocoding Engine	457	-	-	-	-	457
CASC System Replacement	1,500	-	-	-	-	1,500
Auto Dialler Replacement	927	-	-	-	-	927
Locker Replacement	550	0	-	-	-	550
Total New Projects	32,040	15,056	7,400	2,593	4,517	61,606
Total Toronto Police Service	74,486	48,365	16,297	11,939	4,517	155,604

TORONTO POLICE SERVICE

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

Operating impacts in the Toronto Police Service Five-Year Capital Plan are \$2.500 million for 2007, \$1.831 million for 2008, \$3.332 million for 2009, \$2.428 million for 2010, and \$0.411 million for 2011.

The operating impacts associated with various capital projects are primarily for

- workstations, printers and laptops replacement: contribution to equipment replacement reserve (\$4.448 million)
- mobile workstations replacement: contribution to equipment replacement reserve (\$1.993 million)
- new training facility: maintenance costs (\$1.040 million).
- servers replacement: contribution to equipment replacement reserve (\$0.678 million)

The operating impacts for the mobile workstations, workstations, printers & laptops, servers, and IT Business Resumption projects relate primarily to lifecycle replacement costs of the four lifecycle programs and contributions to the equipment replacement reserve beginning in 2007.

BACKLOG ANALYSIS

The current backlog for State of Good Repair work is estimated at \$10.588 million for the Toronto Police Service. The Recommended Five-Year Capital Plan provides funds for State of Good Repair work inside the Police facilities of \$1.700 million in 2007, \$1.800 million in 2008, and a constant \$1.900 million for each of the years 2009, 2010, and 2011.

TORONTO POLICE SERVICES BOARD

MISSION STATEMENT

We are dedicated to delivering police services in partnership with our communities to keep Toronto the best and safest place to be.

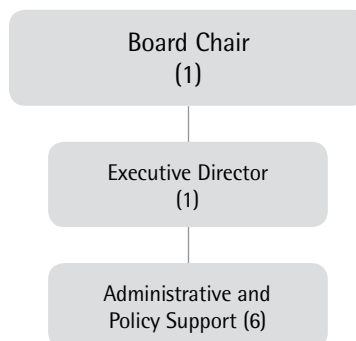
2006 KEY ACCOMPLISHMENTS

- Establishment of an Advisory Panel on Community Safety**
 The Board approved the establishment of an Advisory Panel on Community Safety to advise the Board on issues to act on or advocate for to address gun violence among youth and community safety. The Advisory Panel is part of a comprehensive response by the Board to the increased gun violence that Toronto has been experiencing.
- Race and Ethnocultural Equity Policy**
 The Board approved the Race and Ethnocultural Policy developed by the Board/Service joint working group on race relation. This policy, states that discriminatory treatment will not be tolerated and requires the Chief to develop procedures in a number of areas, including service delivery, professional development and professional conduct.
- Toronto Police Services Board 50th Anniversary Conference**
 The Board hosted a banquet and conference to commemorate fifty years of civilian oversight of police in the City of Toronto. These events recognized and celebrated the wisdom and foresight of the community members who met formally for the first time on May 15, 1956.
- Implementation of Police Identification on Uniforms**
 The Board approved a motion respecting the mandatory wearing of name badges on the uniform of all members of the Toronto Police Service and directed that implementation take place by the end of the year.

PROGRAM MAP

The Toronto Police Services Board is comprised of the following 7 approved positions:

- 3 Board members appointed by City Council (including one citizen representative)
- 3 Board members are appointed by the Province
- 1 Board member is appointed by virtue of holding the position of Mayor



TORONTO POLICE SERVICES BOARD

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

The Board has approved a business plan effective until the end of 2008. The strategic direction of the Toronto Police Services Board is to enhance the levels of service provided to its internal and external customers.

The following are the 2007 goals and priorities:

- community policing partnerships
- safety of vulnerable groups
- community safety & security
- traffic safety
- delivery of service
- human resources

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	716.9	767.7	779.6	62.7	9
Materials & Supplies	10.8	3.9	10.8	0.0	0
Equipment	14.8	6.0	2.2	(12.6)	-85
Services & Rents	642.1	856.5	845.7	203.6	32
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	400.0	537.8	600.0	200.0	50
Total Gross Expenditures	1,784.6	2,171.9	2,238.3	453.7	25
Funded by					
Prov. and Fed. Grants & Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	0.0	0.0	0.0	0.0	N/A
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	14.8	0.0	0.0	N/A
Total Non-tax Revenues	0.0	14.8	0.0	0.0	N/A
Net Budget	1,784.6	2,157.1	2,238.3	453.7	25
Approved Positions	8.0	8.0	8.0	0.0	0

TORONTO POLICE SERVICES BOARD

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Toronto Police Service Board	1,297	1,297	1,785	1,785	2,238	2,238	454	25.4	454	25.4
Total Program Budget	1,297	1,297	1,785	1,785	2,238	2,238	454	25.4	454	25.4

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget is:

- consistent with the goals and priorities outlined in the Toronto Police Services Board 2006 to 2008 Business Plan
- provides funding for the Board's base budget pressures and service priorities

2008/2009 OPERATING BUDGET OUTLOOK

- The current business plan (including all priorities and goals) is effective until the end of 2008. A new business plan, covering 2009-2011 will be developed during 2008.

TORONTO PUBLIC HEALTH

MISSION STATEMENT

A healthy city where all people enjoy the highest level of health and well being. Toronto Public Health (TPH) improves the health of the whole population and reduces health inequalities.

2006 KEY ACCOMPLISHMENTS

Communicable Disease Control

- responded to 52,300 notifications of reportable/communicable diseases and investigated and managed 340 disease outbreaks
- continued to develop the Toronto Pandemic Influenza Plan, in consultation with stakeholders in health, emergency planning, social, community and other sectors

Healthy Families

- provided 41,100 Healthy Babies Healthy Children home visits by Public Health Nurses and Family Home Visitors to high risk families
- provided peer nutrition education to 3,270 participants

Healthy Environments

- completed the implementation of the final phase of the Toronto Tobacco control by-law and conducted more than 10,000 compliance inspections which revealed more than a 97% compliance rate
- achieved 91% completion rate in the Dine Safe Program by conducting 26,816 inspections of food establishments

Healthy Living

- provided training, consultation and site support to 440 student nutrition programs serving 79,000 children and youth.
- established the Toronto Drug Strategy Implementation Panel to oversee implementation of the drug strategy and foster intersectoral co-ordination and co-operation to improve the response to substance use issues in Toronto
- formed working groups to implement priority drug strategy recommendations, and developed a dedicated staff secretariat in TPH to support implementation of the Toronto Drug Strategy

TORONTO PUBLIC HEALTH

Planning & Policy

- provided research, policy, evaluation, epidemiology, communication and media relations support to TPH programs
- supported TPH services and staff through quality assurance management, professional development and practice and library services
- co-ordinated emergency preparedness and continuity of operations planning for TPH

Dental/Oral Health Services

- provided dental treatment services to approximately 33,000 children and adolescents of low-income families, low-income seniors, and high-risk parents referred from other public health programs

Finance and Administration

- consolidation of Toronto Public Health lines to Toronto Health Connection (THC) has resulted in an increase of 4,832 calls for 2006 over 2005.
- enhanced the Toronto Public Health website resulting in increased use of the website by the public (In 2006, the number of monthly website visits increased by 120,000 over 2005.)
- implementation of ePet to increase use of online applications to renew animal licenses and to initiate new animal licenses

2007 PROGRAM OBJECTIVES

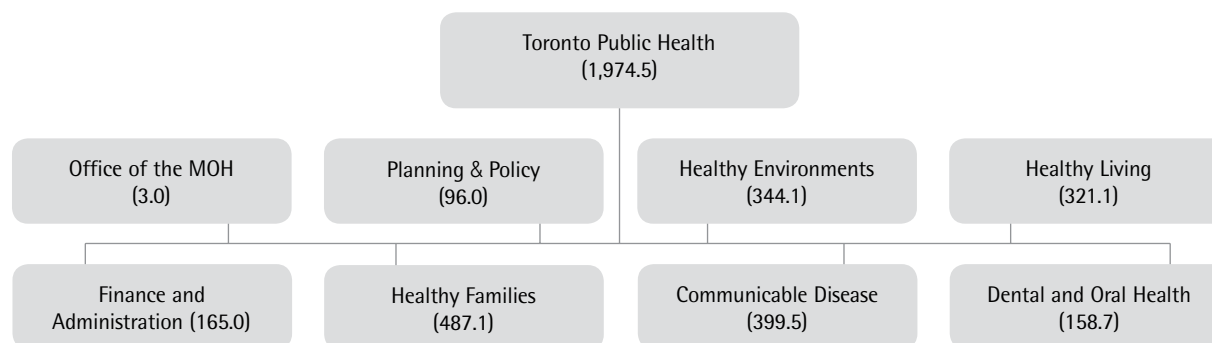
Toronto Public Health objectives are:

- to enable individuals, families and communities to improve and increase their control over their health
- to change political and policy environments, service systems and social norms to advance health goals
- to control infectious disease, reduce exposure to environmental health hazards and enforce laws that protect the public's health
- to reduce the spread of disease and the number of disabilities, injuries, illness and premature births and deaths
- to identify, monitor and communicate health trends and needs

TORONTO PUBLIC HEALTH

PROGRAM MAP

Toronto Public Health is comprised of eight services, with a total staffing complement of 1,974.5 approved positions.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- improve the health of the City's diverse population through responsive services
- champion public health for Toronto
- anticipate, prevent, and respond effectively to public health emergencies
- work with others to create integrated health and social systems that serve Toronto's health needs
- be an innovative and effective public health organization
- become the public health workplace of choice

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006	2006	2007	Change from	
	Budget \$	Actuals \$	Approved Budget	2006 Approved Budget \$	%
Salaries & Benefits	150,044.4	141,435.9	152,222.1	2,177.7	1
Materials & Supplies	5,650.9	4,185.8	5,176.3	(474.6)	-8
Equipment	1,947.9	1,609.8	1,192.9	(755.0)	-39
Services & Rents	34,645.4	31,243.6	32,768.6	(1,876.8)	-5
Contributions & Transfers	3,149.3	3,687.3	3,420.7	271.4	9
Others (Includes IDCs)	16,460.5	15,830.1	15,726.0	(734.5)	-4
Total Gross Expenditures	211,898.4	197,992.5	210,506.6	(1,391.8)	-1
Funded by					
Prov. & Fed. Grants and Subsidies	133,984.8	125,623.1	145,548.3	11,563.5	9
User Fees	1,426.0	1,131.8	1,463.2	37.2	3
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	12,659.8	12,090.3	13,097.7	437.9	3
Total Non-tax Revenues	148,070.6	138,845.2	160,109.2	12,038.6	8
Net Budget	63,827.8	59,147.3	50,397.4	(13,430.4)	-21
Approved Positions	2,137.5	1,827.0	1,974.5	(163.0)	-8

TORONTO PUBLIC HEALTH

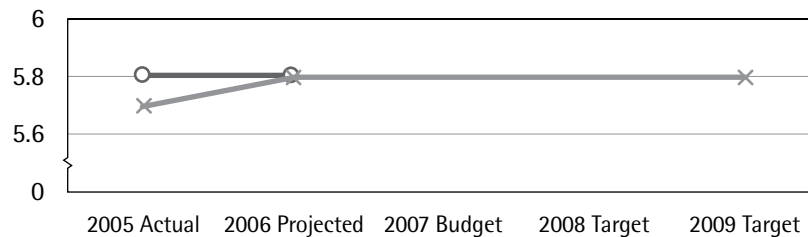
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Office of the MOH	536	241	574	201	589	147	15	3%	(54)	-27%
Planning & Policy	11,278	4,880	12,733	4,411	11,715	2,909	(1,018)	-8%	(1,501)	-34%
Healthy Families	52,985	10,369	55,471	8,977	52,857	6,313	(2,614)	-5%	(2,665)	-30%
Communicable Disease	36,521	12,639	39,595	11,291	38,953	8,100	(642)	-2%	(3,191)	-28%
Healthy Environments	28,110	16,125	31,954	14,609	33,306	13,802	1,352	4%	(807)	-6%
Healthy Living	29,401	12,530	32,462	11,077	31,937	8,413	(525)	-2%	(2,665)	-24%
Dental & Oral Health	18,064	8,485	18,996	8,083	19,915	7,811	919	5%	(272)	-3%
Finance & Administration	17,102	5,485	20,114	5,178	21,236	2,902	1,121	6%	(2,277)	-44%
Total Program Budget	193,997	70,754	211,898	63,828	210,507	50,397	(1,392)	-1%	(13,430)	-21%

KEY PERFORMANCE MEASURES:

Efficiency

Number of Sexual Health Clinic Visits per hour with a physician present



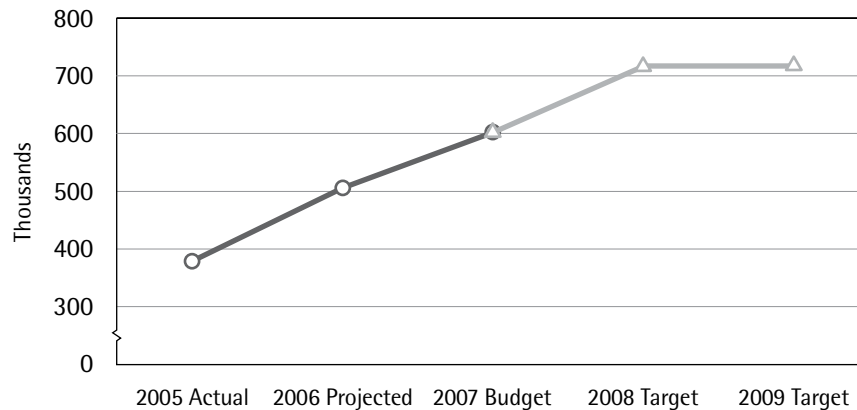
○ Current Service Level	5.8	5.8			
✕ Target Service Level	5.7	5.8	5.8	5.8	5.8

The number of sexual health clinic visits per hour with two physicians present in the clinic has improved from 3.5 in 2000 to 5.8 in 2005 where it has remained.

TORONTO PUBLIC HEALTH

Customer Service

Number of Average Monthly Visits to Toronto Public Health Website

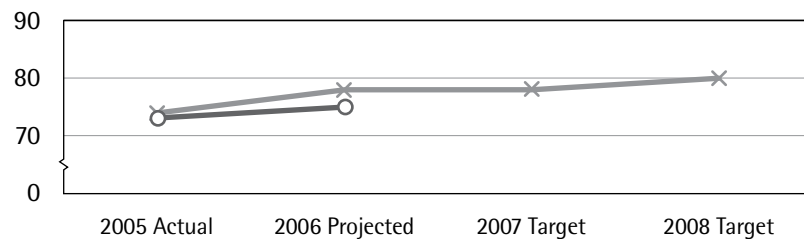


○ Current Service Level	380,216	506,216	602,597		
△ Target Service Level			602,597	714,792	714,792

The public's use of the TPH website has increased from just over 204,000 average monthly visits in 2004 to over 506,000 in 2006 as content relevancy and currency is enhanced.

Community Impact

Percentage of Toronto Homes that are 100% Smoke-free



○ Current Service Level	73.1	75		
✕ Target Service Level	74	78	78	80

The percentage of Toronto households that are smoke-free has increased from 70% in 2004 to 75% in 2006 as TPH continues to pursue targeted non-smoking campaigns.

TORONTO PUBLIC HEALTH

2007 OPERATING BUDGET HIGHLIGHTS

Toronto Public Health will continue to provide the following services:

- Communicable Disease Control Services: several communicable diseases continue to disproportionately affect vulnerable population of the City. TPH plans to further reduce incidence of vaccine preventable disease and control of infectious disease and infection control through the following:
 - > provide Hepatitis B and Meningitis C vaccine to approximately 28,000 grade 7 students and influenza vaccine to 40,000 clients through the Vaccine Preventable Diseases (VPD) program
 - > provide comprehensive assessment, counselling, referral and partner notification for approximately 9,500 cases of sexually transmitted infections annually through the Sexually Transmitted Infection (STI) Case Management program
 - > distribute safe drug use supplies (525,000 needles) to drug users in Toronto through the Needle Exchange program
 - > provide 178.5 hours of sexual health services (STI testing and free treatment, supply low cost birth control and pregnancy testing) in Sexual Health Clinics across the city, and visit approximately 59,000 clients

- Healthy Families (HF) Services promotes early childhood growth and development and parenting capacity for families with children 0-6, provide teen prenatal and postnatal counselling (including nutrition and breastfeeding support), and offer parenting programs and referrals to community resources. With current resources, TPH has limited capacity to expand parenting education in priority neighbourhoods and increase screen tests for children with hearing, speech or language problems. The limited resources also make it difficult to integrate planning and service delivery with other City initiatives such as Best Start Network and Best Generation Yet Initiatives. HF Services plans to provide the following services in 2007:
 - > reach over 4,000 individuals with appropriate peer nutrition educational assessment and counselling workshops in priority neighbourhoods
 - > provide hearing loss screening under the Infant Hearing Program to a targeted 42,000 newborn infants with a projected 95% reach
 - > provide an appropriate range of preschool speech and language services to 8,000 children with an identified speech and language disorder
 - > provide targeted services to 4,000 nutritionally at-risk pregnant women

TORONTO PUBLIC HEALTH

- Healthy Environment Services ensures the safety of food and beverages in restaurants and processing plants and investigates diseases transmitted from animals to people (including rabies and West Nile virus), and animal control. Challenges facing TPH in this area are: enforcing the requirements of the "Interim Guidance Document for the Environmental Grow Ops and Illegal Drug Laboratories", implementing the heat response protocol in the summer months, responding to food recalls while trying to maintain mandated inspection frequencies and controlling the spread of West Nile virus. In 2007, TPH plans to accomplish the following:
 - > ensure compliance with mandated inspection frequencies by conducting approximately 32,000 high, medium and low-risk inspections
 - > increase the number of trained and certified food handlers in high-risk premises by 12,000
 - > reduce the number of mosquito breeding sites by treating 200,000 storm sewers and other sites

- Health Living Services include developing programs, services and policies designed to promote health lifestyle choices including healthy eating, physical activity and smoking cessation, preventing injuries, reducing substance abuse and promoting health living for youth. Key major issues identified are: the need to work comprehensively in more schools by increasing the ratio of Public Health Nurse School Liaison (current ratio of 1:40), more collaborative work with youths under the umbrella of the Toronto Drug Strategy and expand support to workplaces as a venue for health promotion. Major activities planned for 2007 include:
 - > responding to 7,500 calls for Healthy Living services and 976 referrals for service to schools through PHN liaison services
 - > supporting 212 school health committees (Toronto Schools on the Move, Health Action Teams and others) and provide health promotion service to 147 workplaces

- Dental and Oral Health Services provide basic dental treatment (teeth and gums examination, x-rays, fillings, extractions, root canal treatment, dentures and partial dentures), education and preventive services for at-risk children living in low-income families as well as low-income seniors. Currently the adult population (18-65 years of age) are not eligible for free dental services under the TPH dental program. A new eligibility system for treatment services across the City of Toronto is being planned, however; this may contribute to an increased demand on THP dental services that may not be addressed with current resources. The Dental and Oral Services' major activities for 2007 include the following:
 - > provide 22,000 preventive services in public health clinics to children and seniors
 - > provide basic dental treatment to 32,510 clients in targeted groups
 - > screen 636 schools and 218,000 children in public schools
 - > provide oral health education to 24,000 people

TORONTO PUBLIC HEALTH

2008/2009 OPERATING BUDGET OUTLOOK

- A first draft of a new Ontario Public Health Standards was released on February 19, 2007, for review and feedback from local Boards of Health and Health Units, including the City of Toronto as a funder and municipal stakeholder. The final public health standards are expected to be finalized for provincial approval in May/June 2007. TPH does not expect dramatic changes to the services that they deliver, however, current strategies, program services and project priorities will still need to be re-evaluated in relation to the proposed new Ontario Public Health Standards, with particular attention to meeting the needs of Toronto's diverse population and reducing health inequalities.
- The 2007 Operating Budget reflects the last year of a three-year phased increase (from 65% to 75% in 2007) in provincial cost sharing for public health programs. TPH will be facing a major challenge in future years as there will be no further increases in base provincial revenues to offset base pressures and that TPH will be now be subject to the City's affordability guideline of a "0%" budget increase in 2008 and 2009.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The first version of ePET, which includes functionality necessary to process new licences, was launched in September 2006. The final version of ePET, which includes necessary features to integrate ePET with the back-end system (i.e. Chameleon) and the City's one address repository for address validation, will be launched in July 2007.
- The Integrated Public Health Information System (iPHIS), formerly known as Communicable Disease Control Information System (CDCIS), was initiated in 2003 and completed in 2006. The Ministry of Health and Long-Term Care (MOHLTC) began a phased implementation of iPHIS across Ontario public health units in 2005 with the implementation of iPHIS version 6.5. Toronto Public Health completed the phased implementation of iPHIS in 2006 with the implementation of two new enhanced versions / releases of the system. The system enables TPH to better meet the minimum legislated provincial mandatory requirements and support the Communicable Disease Control program through the implementation of enhanced functionality and reporting, and merging of duplicate records.

FIVE-YEAR STRATEGIC OBJECTIVE

Toronto Public Health's strategic plan is to improve service delivery through the development of new IT systems and enhancement of its current systems and comply with the provincial mandatory reporting system requirements. The IT projects are intended to support TPH's strategic vision of:

- enhancing access channels which includes the web, wireless communication, and secure network access
- replacing over 100 systems with seven core integrated business systems to support inspections, animal control and licensing, communicable disease surveillance and outbreak management, immunization

TORONTO PUBLIC HEALTH

management and vaccine control, Healthy Babies Healthy Children case management, Healthy Families and Healthy Living case management and dental treatment

- consolidating and integrating information across all TPH programs and services for better planning, monitoring and reporting

2007 CAPITAL BUDGET HIGHLIGHTS

The 2007 Capital Budget requires cash flow of \$3.943 million which will provide for the completion of two previously approved projects with a change in scope (\$1.160 million) and provide new funding for three new projects (\$2.783 million).

- Two previously approved projects are as follows:
 - > Personal Health Information Protection Act (PHIPA) System Compliance (\$0.680 million) is scheduled for completion in 2008. This project will ensure TPH existing systems comply with the new PHIPA legislation.
 - > Establishment of a dental clinic at the North York Civic Centre (NYCC) (\$0.480 million) is scheduled for completion in 2007. The establishment of a dental clinic at the NYCC will complete harmonization of the TPH dental program citywide and will address issues of equitable access to dental care for eligible residents in North York.
- Three new projects include the following:
 - > Public Health Surveillance and Management System is a new national public information system (\$0.793 million) that will consolidate multiple systems and at the same time comply with the mandated reporting system of the Ministry of Health and Long Term Care.
 - > Dental Strategy and Implementation (\$0.357 million) project – a 100% City-funded program that will establish an integrated communications environment between dental clinics.
 - > Healthy Families / Healthy Living Mandatory Management Reporting (\$1.633 million) project that will provide staff with the capability to create and modify reports to meet mandatory reporting requirements.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes eight new IT projects:

- **Public Health Surveillance and Management System (2007 – 2009) – \$2.505 million:** implementation of a new national public health information system will include an immunization information system, vaccine ordering and distribution system, health alerts and a case, contact, and outbreak management system for reportable diseases

TORONTO PUBLIC HEALTH

- **Healthy Families/Healthy Living (HF/HL) Mandatory Management Reporting (2007–2008)–\$2.556 million:** this project will provide program staff with the capability to create, generate and modify management data into reports to meet mandatory reporting requirements utilizing the corporate reporting standards
- **Dental Strategy and Implementation (2007–2010) –\$2.434 million:** this strategy will establish an integrated information environment, capture and maintain patient charting and x-rays and create a seamless and integrated communications environment between dental clinics for mobile screening and dental work teams
- **Healthy Environments (HE) Reporting (2008–2009) – \$0.725 million:** this project supports the implementation of a Healthy Environments reporting database and electronic connection to the Toronto Healthy Environments Information System (THEIS) database, the conversion of existing report to the corporate reporting tool standard and the creation of management reports to improve information access and management of data
- **Document and Records Management (2008–2010) –\$2.150 million:** this project will allow TPH to organize information and records stored in electronic documents so that data can be efficiently retrieved, found, shared, revised and restored. In 2006, the City started a pilot project with the participation of five City divisions. This project will integrate TPH with this City initiative starting in 2008
- **Healthy Families/Healthy Living (HF/HL) Point of Care (2009–2011) – \$4.748 million:** this project will allow secure mobile and wireless connectivity for nurses and public health professionals in order to access the Toronto Community Health Information System (TCHIS) application at the point of care when providing service, as well as enable a synchronization of data between the mobile units and the TCHIS database
- **Animal Services Electronic Communications (2010–2011) –\$0.479 million:** this project will enable the use of wireless devices by Animal Control Officers in the field to more efficiently intake/discharge and maintain inventory of animals. This project will also implement Global Positioning System (GPS) functionality to enhance dispatch operations, particularly for emergency or quick response priority calls
- **The Integrated Services for Children Information System (ISCIS) and the Toronto Community Health Information System (TCHIS) Integration (2011) – \$0.989 million:** this project will establish an electronic link between these two core Public Health systems that will eliminate duplicate data entry, reduce the need for staff to use both systems and make reporting and access to information easier

TORONTO PUBLIC HEALTH

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
PHIPA Systems Compliance	297	303	-	-	-	600
Total Previously Approved	297	303	0	0	0	600
New Projects						
Dental Strategy & Implementation	357	766	747	564	-	2,434
PH Surveillance & Mgmt System	793	1,023	689	-	-	2,505
HF/HL Mandatory Mgmt Reporting	1,633	923	0	-	-	2,556
PHIPA System Compliance (Change in scope)	383	(218)	-	-	-	165
2006 Facilities NY Dental Clinic (Change in scope)	480	-	-	-	-	480
Total New Projects	3,646	2,494	1,436	564	0	8,140
Total Public Health	3,943	2,797	1,436	564	0	8,740

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The 2007 Capital Budget will increase the program's operating budget with incremental net impacts in 2008 and future years as a result of the following capital projects:

Project Name	Operating Impact of the 2007 Approved Capital Budget											
	2007		2008		2009		2010		2011		Total	
	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position
PH Surveillance & Mgmt System	-	-	-	-	-	-	188.6	8.0	4.1	-	192.7	8.0
PHIPA System Compliance	-	-	-	-	0.7	-	-	-	-	-	0.7	-
HF/HL Mandatory Mgmt Reporting	-	-	66.6	-	-	-	-	-	-	-	66.6	-
Dental Strategy & Implementation	-	-	-	-	-	-	-	-	143.9	1.0	143.9	1.0
Total Request (Net)	-	-	66.6	-	0.7	-	188.6	8.0	148.0	1.0	403.9	9.0

The program has identified eight new positions in 2010 and one new position in 2011, arising from the approval of the 2007 Capital Budget.

Provincial Cost Shared at 75%

TORONTO PUBLIC HEALTH

- Public Health Surveillance and Management System project will be completed in 2010 and the program has estimated a net operating impact of \$0.189 million in 2010 and incremental increase of \$0.004 million in 2011. An estimated eight new positions have been identified in 2010 and this is based on TPH's previous experience with the Integrated Public Health Information System (IPHIS) that was implemented in 2005.
- The PHIPA System Compliance project will have an associated net operating cost of \$0.7 thousand in 2009 for ongoing service and maintenance of the system.
- Health Families / Healthy Living Mandatory Management Reporting will have net operating cost of \$0.067 million for ongoing computer hardware and software maintenance costs including the network security and server and software licensing for the reporting system.

City Funded 100%

- Dental Strategy and Implementation project will have salaries/benefits costs of \$0.102 million for one new systems integrator position and \$0.042 million for ongoing service and maintenance expenses.

ASSET INVENTORY

The City owns ten buildings occupied by Toronto Public Health (TPH), representing an area of 90,299 sq. ft. However, responsibility for all TPH's asset and infrastructure inventory management are under Facilities & Real Estate Division.

BACKLOG ANALYSIS

The program does not have a backlog of projects. During the 2006 Capital Budget, the State of Good Repair (SOGR) maintenance budget was transferred and consolidated within the Facilities and Real Estate Capital Budget to promote consistency in maintenance standards applied throughout City facilities.

TORONTO PUBLIC LIBRARY

MISSION STATEMENT

Toronto Public Library (TPL) provides free and equitable access to library services that meet the changing needs of the people of Toronto.

Toronto Public Library preserves and promotes universal access to a broad range of human knowledge, experience, information and ideas in a welcoming and supportive environment. New technologies extend access to global information beyond library walls. Toronto Public Library upholds the principle of intellectual freedom.

Effective partnerships enhance library service throughout the City. Toronto Public Library is accountable for the effective management of library resources and for the quality of library service offered to the people of Toronto.

2006 KEY ACCOMPLISHMENTS

Books and Culture

- improved library collections in specific priority areas including children's, youth, and multilingual collections
- re-designed websites for TPL Digital Collections, Historicity: Toronto Then and Now, Ontario History Quest and Canadian Theatre Record
- introduced Keep Toronto Reading month in February as an annual event to promote reading across Toronto which included 100 author visits, 2500+ attendees and 435 000 web visits
- improved access to national and international newspapers at the Toronto Reference Library (TRL) by replacing mail subscriptions with onsite overnight printed editions
- installed adaptive software with screen magnification for persons with disabilities at all 99 branches
- launched Book Buzz, TPL's virtual book club in response to the large number of users of TPL's online services (mid-way through 2006 there are currently over 100 registered members)
- completed the construction of Morningside branch and the renovation of Pape Danforth branch
- launched a Wi-fi pilot project at TRL to meet the increasing demand for internet access that is more flexible and convenient
- Toronto children are using a re-designed Kids Space website which was developed with the input of children, parents and teachers. The site is focussed on stories and learning in all its forms, including reading, listening and creating with web activities for children up to age 12. The TD Summer Reading Club website is now offered in both French and English and the Kids @ Computers program website was re-designed.
- The web catalogue and the Reserve a Computer services were both improved with software upgrades.
- Information architecture work was completed in preparation for a re-design of the "user experience" of TPL web services in 2007.
- produced a series of high profile programs that featured important cultural, artistic or media personalities i.e Paula Todd, Tom Harpur, & Miriam Toews
- partnered with significant cultural groups and agencies to participate in programs such as Nuit Blanche, Opera is Cool at York Woods with the Canadian Opera Company or produce programs such as Opera Atelier's On Stage event personalities i.e Paula Todd, Tom Harpur, & Miriam Toews

TORONTO PUBLIC LIBRARY

Low-Income Neighbourhoods

- contributed to the Strong Neighbourhoods Task Force
- participated in Neighbourhood Action Teams across priority neighbourhoods in Toronto including Jane/Finch, Jamestown, Malvern, Kingston/Galloway, Lawrence Heights, Steeles-L'Amoureux, Eglinton East-Kennedy Park, Scarborough Village, Flemingdon Park-Victoria Village
- participated in the new City of Toronto's Children's Group including the development of the latest Children's Report Card tracking the welfare of children
- trained all children's staff in Ready for Reading (a program for parents and caregivers to help children develop pre-reading skills) in preparation for the project launch in 2007
- developed partnerships with Toronto District School Board (TDSB) Inner City model schools: Firgrove (York Woods), Nelson Mandela (Parliament) and Willow Park (Cedarbrae)
- employment related workshops developed by User Education Committee as pilot projects for the system
- Improvements in public workstations were completed in 2006 and now provide increased multilingual capabilities (in 33 languages), word processing in all 99 branches.
- TRL introduced ground floor study rooms through its capital renovations program.
- continued to build community development approach to library service through Human Resources and Social Development Canada (HRSDC) funding project at Flemingdon Park and Thorncliffe

Newcomers

- expanded outreach aimed at newcomers by translating library information - distribution of the "Guide to library services" has been done for the Italian, Polish, Russian and Spanish communities to date
- Kindergarten Outreach program reached 100% of classes and schools in the City's priority neighbourhoods.
- established year-round Newcomer Information Service at Toronto Reference Library and several branches (expansion of the existing summer service)
- added English Can Be Fun program, allowing children to practice their English over the summer holidays, in two at-risk neighbourhoods
- newly added Somali (a culture with a strong oral tradition) to Dial-A-Story (as well as more English and French stories)
- offered creative programs for newcomers e.g. Basic Banking (in partnership with TD Bank)
- With a \$200 000 grant from Citizenship & Immigration Canada, TPL expanded collections in accreditation/certification, labour market resources and job search information.
- expanded job search workshops that are specifically geared to newcomers
- increased programming geared to helping newcomers deal with settlement related issues

Youth

- youth advocate position established on TPL Board
- established a permanent Youth Collections specialist to co-ordinate the development of collections for youth and to serve as a system resource

TORONTO PUBLIC LIBRARY

- expanded access to electronic resources in more library locations and for remote users; new resources for students of all ages have been added, notably for ESL, TOEFL and other tests, visual learning in science, art studies, and a comprehensive French encyclopedia, e-audio books and more e-books which enhance the Library's ability to deliver digital content to customers
- New Youth Advisory Group was created within TPL's marketing department to consult with youth on best ways to reach out to youth across Toronto Public Library.
- Teen Forgiveness Pilot Program successfully brought back many youth to the Library by reducing fines. Similar projects will be implemented in the future.
- Teen Book Clubs were started at Richview and Eatonville branches.
- High School outreach team successfully reached all at-risk schools in Toronto.
- established math homework clubs in Malvern and Albion priority neighbourhoods
- participated in partnership projects by providing community space and support including Pathways to Education in Regent Park and the making of a documentary film about youth in Malvern by Allan King that was screened at the Toronto International Film Festival

2007 PROGRAM OBJECTIVES

Books and Culture

- increase spending to build collections and improve access; champion and promote reading; contribute to Toronto's literary culture; and broaden access to civic and cultural life by:
 - > adding over 750,000 new print and audio items to the collection
 - > re-designing the "user experience" to improve accessibility of electronic collections and services
 - > implementing final phase of new Integrated Library System
 - > continuing to digitize resources with a focus on Toronto materials

Low Income Neighbourhoods

- provide library service that meet the needs of low income neighbourhoods and increase the Library contribution to community capacity building by:
 - > providing innovative literacy & reading support programs by implementing Ready for Reading program focusing on building reading readiness for preschool children
 - > contributing to Neighbourhood Action Teams across priority neighbourhoods in Toronto
 - > implementing the first phase of the open hours expansion for January 2007

Newcomers

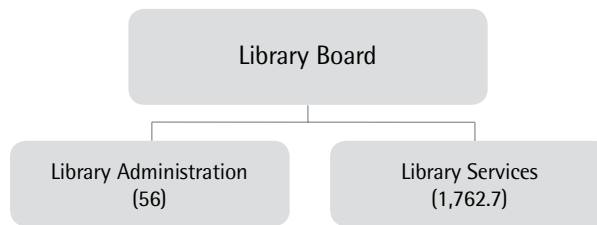
- contribute to the successful adaptation of newcomers to Toronto and help address barriers to employment for immigrants by:
 - > enhancing outreach and expanding access to services by the multi-language implementation of the online catalogue
 - > expanding access to employment and language-related collections and settlement services through a grant from Citizenship and Immigration Canada

TORONTO PUBLIC LIBRARY

Youth

- create library services addressing the needs of youth; encourage youth to read; support youth in school, career development and employment; and expand access to volunteer opportunities by:
 - > increasing the number of youth who are regular users and who have library cards by evaluating the Teen Forgiveness Pilot and extending to 2007/08 as appropriate
 - > involving youth in planning and delivery of youth programs and collection selection
 - > expand access to online resources and the internet with WiFi expansion to more branches

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

Books and Culture

- build collections that reflect the diversity of interest, cultures and languages in the city
- provide access to library collections
- continue collection assessment process
- provide online and mediated information services
- become a centre for literary events
- preserve and promote special collections through the development of the Virtual Reference Library and digitization program
- improve the online catalogue

Low Income Neighbourhoods

- expand access to computers, electronic resources and training
- participate in inter-departmental and other initiatives to develop solutions to neighbourhood issues
- expand access to library service and quiet study space in targeted neighbourhoods
- provide innovative literacy & reading support programs
- partner with community agencies

TORONTO PUBLIC LIBRARY

Newcomers

- improve access to English as a second language (ESL) collections and materials related to accreditation and employment
- enhance outreach and expand access to services and programs in languages other than English
- expand access to settlement services and provide additional support to internationally trained professionals and tradespeople through additional collections and programming
- expand access and referral to volunteer opportunities

Youth

- enhance collections for youth
- increase the number of youth who are regular users and who have library cards
- outreach to agencies serving youth
- involve youth in planning and delivery of youth programs and collection selection
- enhance support for youth in school
- provide direct youth employment through targeted programs and as pages
- provide motivational speakers series for youth in each area of the city
- plan youth summer reading club for 2008 implementation
- run another youth incentive program in fall 2007 potentially targeting junior high school students

STRATEGIC PLAN IMPLEMENTATION

- ensure priorities of plan are integrated with the budget and planning process
- support governance structure and strategic plan
- support the essential role of staff in achieving strategic objectives
- continue upgrading of the technological environment to support TPL's Web services
- preserve and maintain legacy of public space and buildings
- enhance outcome measures for targeted programs and services

TORONTO PUBLIC LIBRARY

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	116,450.7	117,778.6	121,528.2	5,077.5	4
Materials & Supplies	19,365.1	19,439.9	19,639.7	274.6	1
Equipment	230.3	355.4	10.3	(220.0)	-96
Services & Rents	21,030.7	20,909.0	21,121.1	90.4	-
Contributions & Transfers	1,476.9	1,755.9	2,029.7	552.8	37
Others (Includes IDCs)	18.9	41.6	18.9	0.0	0
Total Gross Expenditures	158,572.6	160,280.4	164,347.9	5,775.3	4
Funded by					
Prov. & Fed. Grants and Subsidies	6,201.5	6,361.0	6,132.5	(69.0)	-1
User Fees	4,224.8	4,102.0	4,152.7	(72.1)	-2
Reserves/Reserve Funds	2,051.2	2,051.2	2,401.2	350.0	17
Other (Includes IDRs)	1,617.1	3,299.9	1,949.2	332.1	21
Total Non-tax Revenues	14,094.6	15,814.1	14,635.6	541.0	4
Net Budget	144,478.0	144,466.3	149,712.3	5,234.3	4
Approved Positions	1,817.7	1,818.7	1,818.7	1.0	0

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Library Services	149,621	135,390	153,308	139,414	158,571	144,135	5,263	3.4	4,722	3.4
Library Administration	5,259	5,059	5,264	5,064	5,777	5,577	513	N/A	513	N/A
Total Program Budget	154,880	140,449	158,573	144,478	164,348	149,712	5,775	3.6	5,234	3.6

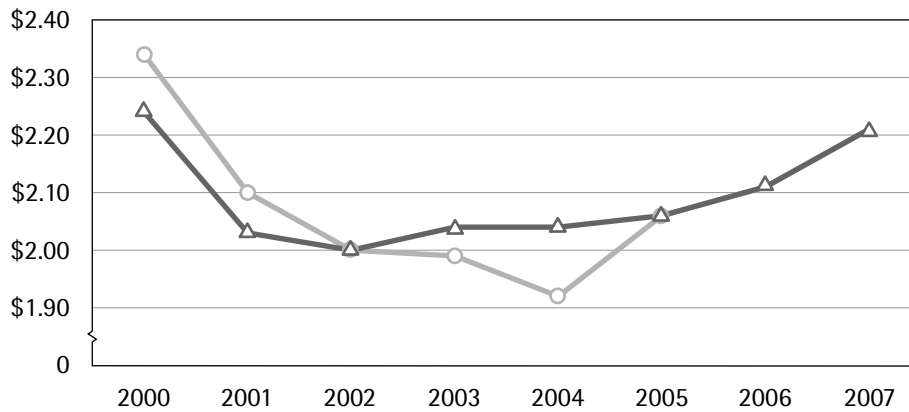
TORONTO PUBLIC LIBRARY

KEY PERFORMANCE MEASURES

Efficiency Measures

For the purpose of this efficiency measure, total activity is a composite measure comprised of circulation, in library use, information requests and virtual visits. Cost per activity is negatively impacted by increasing staffing costs mainly due to wage harmonization, cost of living and merit increases.

Efficiency
Cost Per Activity



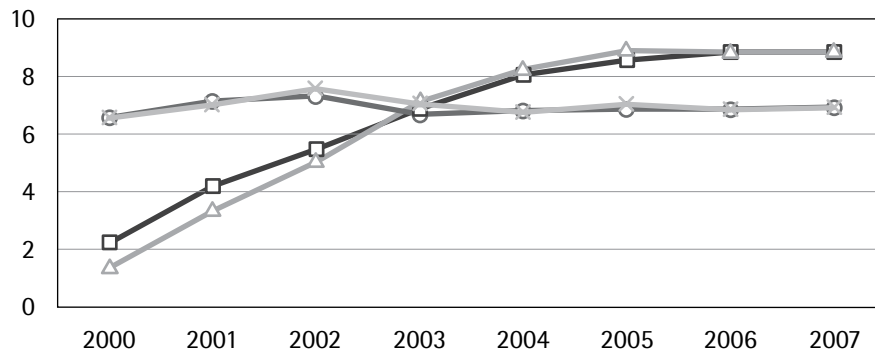
▲ Actual/Projected Cost Per Activity	\$2.24	\$2.03	\$2.00	\$2.04	\$2.04	\$2.06	\$2.11	\$2.21
○ Target Cost Per Activity	\$2.34	\$2.10	\$2.00	\$1.99	\$1.92	\$2.06	\$2.11	\$2.21

TORONTO PUBLIC LIBRARY

COMMUNITY IMPACT MEASURE

This measure indicates the average number of visits (virtual and in-person) per capita. Visits to branches are expected to remain consistent with 2005/6 levels and are impacted by branch closures for renovation. Virtual visits are expected to increase reflecting the fundamental shift to seeking information through the internet. The Library has responded to this demand by offering more services electronically. Enhancements include the introduction of subject gateways and digital collections in the Virtual Reference Library and an increased number of licensed databases.

Community Impact
Visits & Virtual Visits Per Capita



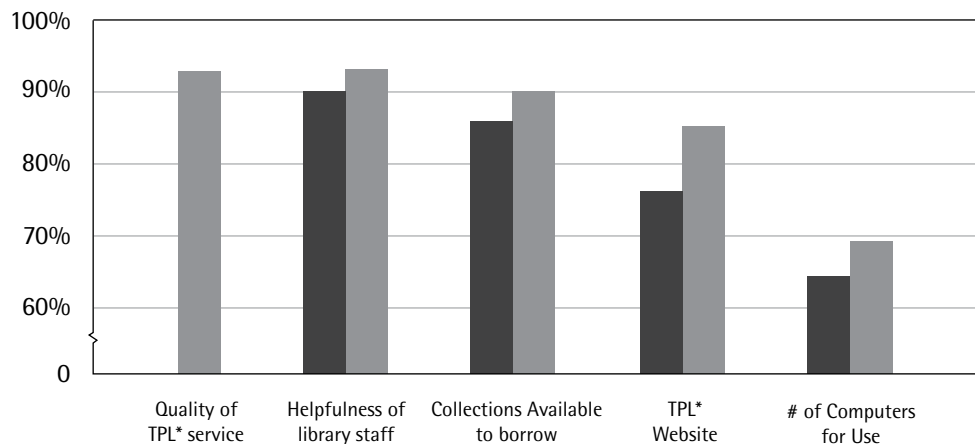
■	Virtual Visits Per Capita	2.22	4.20	5.48	6.88	8.06	8.57	8.85	8.85
▲	Target Virtual Visits Per Capita	1.36	3.34	5.04	7.13	8.25	8.90	8.85	8.85
○	Visits Per Capita	6.58	7.15	7.33	6.69	6.82	6.87	6.87	6.94
✱	Target Visits Per Capita	6.58	7.04	7.60	7.07	6.78	7.06	6.87	6.94

TORONTO PUBLIC LIBRARY

CUSTOMER SERVICE MEASURE

This measure indicates the customer service satisfaction in areas such as overall quality of Public Library service, helpfulness of library staff, collections available to borrow, Toronto Public Library website, and number of computers available for use between 2001 and 2006.

Customer Service
(% Satisfied)



■	2001	N/A	90%	86%	76%	64%
■	2006	93%	93%	90%	85%	69%

*TPL stands for Toronto Public Library

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- efficiently manage circulation of over 30 million items, in-person visits, virtual visits and programs
- respond to over 7.6 million information requests in-person, via phone or via online
- add over 750,000 items to the collection and continue to build collections related to careers and job search
- provide 4.2 million computer sessions for the public

2008/2009 OPERATING BUDGET OUTLOOK

- Toronto Public Library will be embarking on a new strategic planning process in 2007 that will provide a framework for the development of the operating budget in future years. The new strategic plan will complement the priorities of the new Council and respond to changing social and demographic trends in the City of Toronto.
- Toronto Public Library has been unable to achieve its target of 3% over 2006 without affecting service levels. The approved reduction of \$0.06 million will be achieved through monitoring all spending

TORONTO PUBLIC LIBRARY

during the year to take advantage of any cost saving opportunities or reduction of the library materials budget. There are no other efficiency initiatives including service reviews and/or service rationalizations identified as a mean to achieve the 0% target in 2008 and 2009.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- Re-opening of branches:
 - > Morningside branch, relocated from a mall onto City-owned land next to a community centre, in May 2006
 - > Pape/Danforth renovated branch, in August 2006
- At the Toronto Reference Library the transformation of the main floor was significantly advanced. A performance stage in the atrium, a new centre for people with disabilities, a small browsing circulating collection in a comfortable lounge environment, bookable group study rooms, an improved combined entrance/exit/security and a new information desk have all been successfully commissioned. Plans for new program areas and the renovation of the upper floors were well advanced.
- The Multi-branch Minor Renovation Program will have impacted 17 branches with 21 projects addressing flooring (5), roofing (4), shelving (4) and building systems (8)
- For the Virtual Branch and electronic services:
 - > A user experience project was initiated to focus on information architecture which will provide a new design for the TPL website that includes improved usability and better integration of TPL web services.
 - > An award of contract was made for the purchase of a new Integrated Library System and implementation is underway.
 - > A re-designed Kids Space website went live in February 2006. With the input of children, parents and teachers, the developed website focuses on stories and learning in all forms including reading, listening and creating web activities for children up to age 12.
 - > Additional interactivity and improved layout for Ramp homepage, the teen website, was created.
 - > improved performance for websites devoted to digitized special collections
 - > Book Buzz, the library's online book discussion groups, was launched in March 2006. Monthly book discussions are complemented by live chats with authors, contests, book reviews and recommended reads.
 - > increased disk space for digitized special collections and administrative purposes by 1.3 terabytes

FIVE-YEAR STRATEGIC OBJECTIVE

The 2007 Recommended Capital Budget of \$17.863 million gross (\$11.0 million debt) is comprised of \$5.718 million previously approved projects (excluding 2006 carry forward) and \$9.689 million for new projects (or 83.9% for state of good repair and 16.1% in growth related projects), which includes funding for the major renovation of the Toronto Reference Library, Virtual Branch and electronic services enhancement to provide

TORONTO PUBLIC LIBRARY

improved usability, IT equipment and system replacement, renovation/expansion of Bloor / Gladstone Library and the renovations of S. W. Stewart, Dufferin / St. Clair, and Jane / Dundas Libraries.

The Five-Year Capital Plan supports the Mayor's mandate by investing in At-Risk Neighbourhoods. Included in the plan are renovation/reconstruction projects totalling \$16.926 million for six libraries in five At-Risk Neighbourhoods.

2007 CAPITAL BUDGET HIGHLIGHTS

Budget: \$15.407 million gross (\$11.0 million debt) comprised of \$5.718 million previously approved projects (excluding 2006 carry forward) and \$9.689 million for new projects.

- Previously approved projects include major renovation of the S. Walter Stewart District Library (\$3.160 million gross and \$2.143 million debt) and expansion/renovation of the Bloor/Gladstone District Library (\$2,326 million gross and \$1.004 million debt).
- New projects include funding for the major renovation of the Toronto Reference Library (\$1.50 million gross and \$1.364 million debt), Virtual Branch and electronic services enhancement to provide improved usability (\$1.0 million gross and \$0 million debt), and \$2.837 million and \$0 million debt for Technology Asset Management Program (TAMP) for IT equipment and system replacement.
- ongoing Multi-branch state of good repair program which includes roofing, building systems, flooring, shelving and furnishings (\$0.846 million gross and \$0.759 million debt)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan consists of 85.4% state of good repair projects and 14.6% growth related.

- **State of good repair projects (\$40.217 million):**
Major state of good repair projects include: S. Walter Stewart District Library, Jane/Dundas Library Renovation, Dufferin/St. Clair Library Renovation, Toronto Reference Library Renovation, Multi-branch minor renovation and all IT projects.
- **Growth related projects (\$6.859 million):**
The growth related projects consist of Bloor / Gladstone Library Expansion, Thorncliffe Library Expansion and the Brentwood Library Expansion.

Virtual Branch

The capital plan also addresses the need to maintain TPL's investment in information technology infrastructure. A key component of TPL's service delivery strategy is the creation of a Virtual Branch for electronic information services. The use of technology will allow TPL to manage increasing demand in an effective and efficient manner without adding staff. The total project cost is \$2.5 million and is included as part of the state of good repair projects.

TORONTO PUBLIC LIBRARY

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Bloor/Gladstone District Library (Renovation/Expansion)	1,824	3,231	1,664	250	-	6,969
S.Walter Stewart District Library (Renovation)	1,555	1,464	-	-	-	3,019
Jane/Dundas Neighbourhood Library (Renovation)	626	984	100	-	-	1,710
Dufferin/St.Clair Neighbourhood Library (Renovation)	575	873	600	-	-	2,048
Jane/Sheppard Neighbourhood Library (Renovation)	638	717	445	-	-	1,800
Integrated Library System	500	-	-	-	-	500
Toronto Reference Library (Renovation)	0	-	-	-	-	0
Total Previously Approved	5,718	7,269	2,809	250	-	16,046
New Projects						
Bloor/Gladstone District Library (Renovation/Expansion)	24	-	-	-	-	24
S.Walter Stewart District Library (Renovation)	709	573	129	-	-	1,411
Jane/Dundas Neighbourhood Library (Renovation)	786	-	-	-	-	786
Dufferin/St.Clair Neighbourhood Library (Renovation)	525	500	-	-	-	1,025
Cedarbrae District Library (Renovation)	480	1,074	3,643	1,303	-	6,500
Thorncliffe (Renovation/Expansion)	734	639	400	727	-	2,500
Virtual Branch Service ('07-'09)	1,000	750	750	-	-	2,500
Technology Asset Mgmt Program ('07-'09)	2,837	3,145	3,208	-	-	9,190
Brentwood District Library (Reconstruction/Expansion)	248	-	-	-	-	248
Multi-branch Minor Reno Program ('07-'09)	846	-	-	-	-	846
Toronto Reference Library (Renovation)	1,500	1,500	3,000	-	-	6,000
Total New Projects	9,689	8,181	11,130	2,030	-	31,030
Total Toronto Public Library	15,407	15,450	13,939	2,280	-	47,076

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget includes program costs of \$0.2 million and debt service charges of \$0.33 million. The net incremental operating costs include salaries, utility, services and rents, materials and supply expenses and software licences.

TORONTO PUBLIC LIBRARY

ASSET INVENTORY

Facilities

- 17 district libraries
- 80 neighbourhood libraries
- 2 research and reference libraries
- 3 service buildings
- includes approximately 1.8 million square feet of building space

Collections

- collection size is 10.5 million
- special collections include Arthur Conan Doyle Collection, Osborne Collection of Early Children's Books, Baldwin Room (Canadian History), Merril Collection of Science Fiction, Speculation and Fantasy

Vehicles

- 28 Cargo Vans
- 14 cube vans
- 2 bookmobiles

BACKLOG ANALYSIS

Of 102 buildings maintained by TPL, approximately 20% are more than 50-years-old and 60% are more than 5-years-old. Today, TPL's average building is 35-years-old and one third of the branches have not had a renovation in over 20 years.

TPL's state of good repair backlog is \$14.7 million accumulated over the period 2001-2006. The state of good repair backlog is projected to increase by \$1.0 million each year over the next five years to \$19.5 million by 2011. (The \$1.0 million annual shortfall is based on a 2% industry benchmark for building investment. With the current replacement value of \$540 million, 2% results in the average annual requirement of \$10.8 million – the approved average state of good repair funding for this program is \$9.8 million a year.)

TORONTO TRANSIT COMMISSION

MISSION STATEMENT

The Toronto Transit Commission (TTC) is the third largest transit property in North America, based on ridership, after New York City and Mexico City. TTC carries about 445 million riders per year and operates heavy and light rail, streetcar and bus services totalling over 2,400 vehicles throughout the City of Toronto. In addition, TTC provides special door-to-door transit service (Wheel-Trans) for persons with mobility restrictions. TTC carries 85 per cent of all local transit trips in the Greater Toronto Area and about 72 per cent of the Toronto population uses the TTC at least once per month. Fully 96 per cent of Toronto residents live within 400 metres of at least one TTC service

2006 KEY ACCOMPLISHMENTS

Toronto Transit Commission: Conventional

- During 2006, the TTC experienced a continuation of the positive trend in ridership growth that began in 2004. Ridership on the TTC was 445 million, exceeding expectations by 9 million riders. This positive trend in ridership was due to a number of factors including:
 - > Higher than forecast ridership growth generated by employment/economic activity in the City of Toronto;
 - > Continued strong sales growth of the Metropasses reflecting support of the VIP Program, the introduction of transferability in September 2005, the policy decision to "cap" the Metropass price below \$100/month, the introduction of the Federal Tax Credit in July 2006; and,
 - > Lower than forecast ridership loss from the April 2006 fare increase.

Toronto Transit Commission: Wheel-Trans

- Provided a total of 1,896,800 door-to-door trips with 48% of the service carried on economical low-floor buses, accessible taxis carrying 37% and sedan taxis carry 15% of services. The proportion of trips provided on accessible vehicles was at 85%.
- Total demand for door-to-door trips was 1,962,500, which was 6% higher than the demand experienced in 2005 and greater than the forecasted demand. Wheel-Trans was able to accommodate some of the additional demand and the unaccommodated rate was about 3.2%.

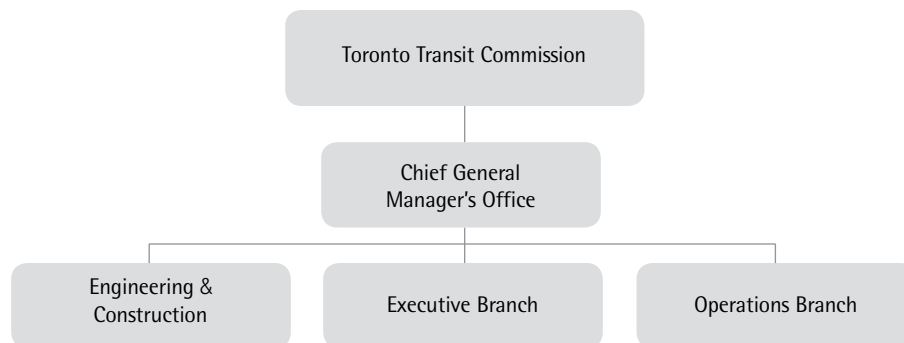
2007 PROGRAM OBJECTIVES

- Provides and maintains transit infrastructure and service in the City of Toronto.
- Operates and maintains a highly integrated transit system and a multi-modal fleet.
- Provides special door-to-door transit service (Wheel-Trans) for persons with the greatest need for accessible transit as established by eligibility criteria based upon an individual's level of functional mobility.

TORONTO TRANSIT COMMISSION

PROGRAM MAP

The TTC is comprised of three major branches with a total of 11,449 positions including the Toronto Coach Terminal and Wheel-Trans. Of this amount, 1,123 positions are for capital projects and 459 positions are for Wheel-Trans.



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

TTC Conventional

- The Toronto Transit Commission essentially offers two main services:
 - > TTC Conventional.
 - > Wheel-Trans.
- TTC Conventional consists of transit services provided to the public on surface routes, utilizing buses, streetcars, RT vehicles (rapid transit) and subways.
- Service levels in 2007 include about 207 million kilometres and 7.4 million hours, approximately 1.3% and 1.6%, respectively, greater than 2006 budgeted levels.
- TTC staff continuously monitors ridership through periodic counts and will adjust services, as required, to ensure that passenger crowding on buses, streetcars and subways remain within the applicable standards. These adjustments will be made on an ongoing basis through the normal service adjustment process, which occurs each board period.
- On an average business day, there are approximately 1.4 million revenue passengers (2.3 million revenue passengers including transfer fares). Of the 149 surface routes, 148 make 243 connections with the subway/Scarborough RT system during the morning rush period.
- The 2007 budget is based on service levels for 454 million riders, which is 18 million higher than the 2006 budgeted level.

TORONTO TRANSIT COMMISSION

Wheel-Trans

- Wheel-Trans Operations is the division of TTC responsible for provision of specialized door-to-door transportation service for persons with the greatest need for accessible transportation as established by a set of eligibility standards based upon an individual's physical functional mobility. Transportation services are provided within the City of Toronto boundaries, to the Airport, and to established boundary transfer points in order to co-ordinate trips with specialized transit services to and from the Greater Toronto Area (GTA).
- Wheel-Trans operates and maintains a high capacity bus service accommodating 53% of all trips while the balance of the door-to-door trips are carried on contracted taxi services using both accessible and sedan taxis. In addition to the door-to-door service, Wheel-Trans operate fixed route community bus service. These six routes serve local community areas populated with a concentration of hospitals, senior homes, malls, and medical facilities. Integrated trip planning continues with accessible Conventional TTC subways and bus routes. Wheel-Trans trip booking, planning, scheduling, and dispatch functions are handled in-house; Customer demand in 2007 increased by 7.8 per cent over the 2006 budget.
- Overall, vehicle productivity on door-to-door service is enhanced through service initiatives and service design such as expanding zone service and sectoral scheduling.

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	800,332.3	803,605.0	842,853.5	42,521.2	5
Materials & Supplies	202,604.9	191,137.9	208,417.8	5,812.9	3
Equipment	14,800.0	13,872.0	15,000.0	200.0	1
Services & Rents	53,214.6	49,958.1	55,574.9	2,360.3	4
Contributions & Transfers	9,345.5	8,127.0	1,907.0	(7,438.5)	-80
Others (Includes IDCs)	20,703.7	24,295.0	27,911.6	7,207.9	35
Total Gross Expenditures	1,101,001.0	1,090,995.0	1,151,664.8	50,663.8	5
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	782,102.2	785,582.0	814,348.8	32,246.6	4
Reserves/Reserve Funds	12,624.0	12,624.0	0.0	(12,624.0)	-100
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	794,726.2	798,206.0	814,348.8	19,622.6	2
Net Budget	306,274.8	292,789.0	337,316.0	31,041.2	10
Approved Positions	9,899.0	9,981.0	10,294.0	395.0	4

TORONTO TRANSIT COMMISSION

2007 OPERATING BUDGET BY SERVICE

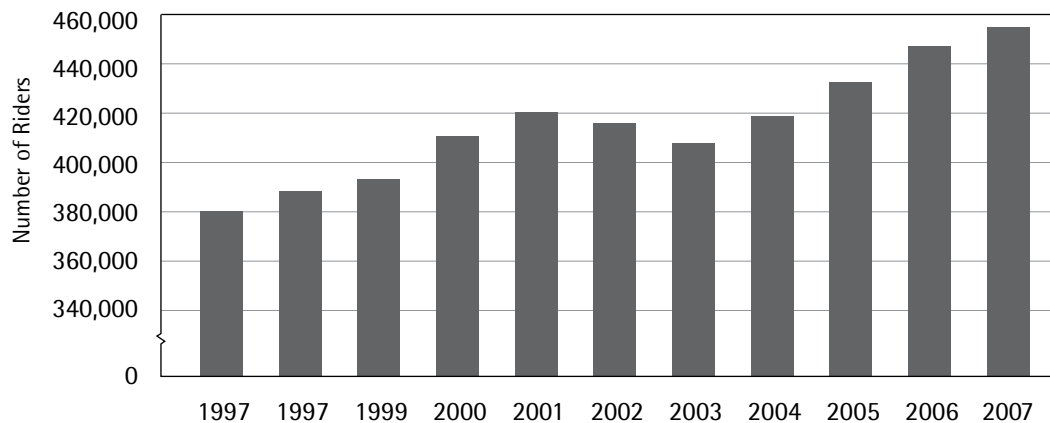
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
TTC Conventional	962,280	208,836	1,037,992	246,307	1,082,894	271,781	44,902	4.3	25,475	10.3
Wheel-Trans	55,950	53,219	63,009	59,968	68,771	65,535	5,762	9.1	5,567	9.3
Total Budget	1,018,230	262,055	1,101,001	306,275	1,151,665	337,316	50,664	4.6	31,041	10.1

KEY PERFORMANCE MEASURES

Ridership

A key performance measure for the Conventional System is ridership, the amount of rides taken by passengers on all conventional modes of transportation operated by the Commission. Ridership projections are based on a number of factors including economic activity both locally and in relation to the national economy and the U.S. economy focusing on such factors as growth in employment and consumer spending. The 2007 Service budget is based on service levels for 454 million riders, which is 18 million higher than the 2006 budgeted level.

TTC Ridership

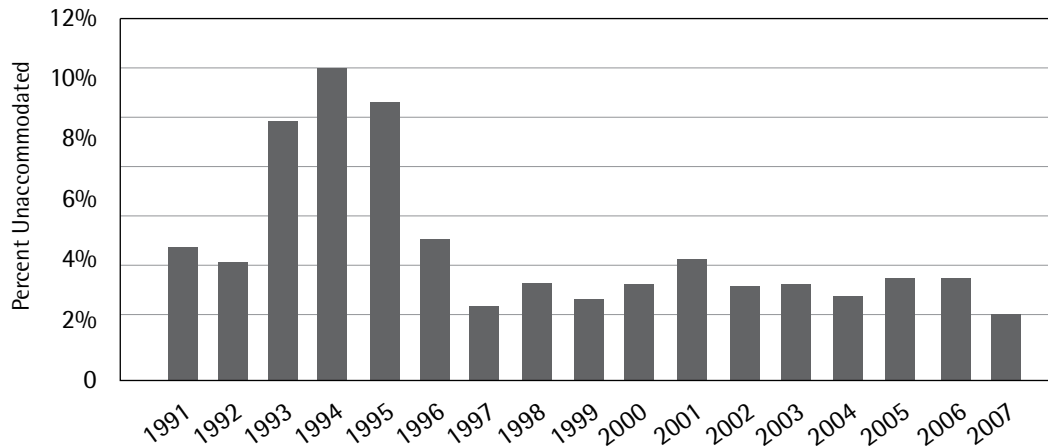


TORONTO TRANSIT COMMISSION

Wheel-Trans Unaccommodated Rate

A key service indicator for the Wheel-Trans Operation is the unaccommodated rate defined as the percentage of trips lost due to inability to meet demand. This is projected to be 2% in 2007 representing a 75% improvement since 1994. The 2007 Approved Budget provides for an anticipated increase in ridership of 7.8% or 148,900 trips.

Wheels-Trans Unaccommodated Rate



2007 OPERATING BUDGET HIGHLIGHTS

Toronto Transit Commission: Conventional

The 2007 Operating Budget will provide the following services:

- Transit service to meet ridership growth from 2006 and 2007. The TTC experienced 3.1% growth in ridership in 2006, from 431.2 million riders in 2005 to 444.5 million riders by the end of 2006. In 2007, the TTC will provide transit services for 454 million riders, 9 million more riders than in 2006.
- 100 new Ridership Growth Strategy buses which will provide 17,000 additional peak service hours in 2007, 114,000 service hours on an annual basis, in order to accommodate these new riders and maintain service levels.
- Opening of the Mount Dennis Bus Garage to provide for maintenance and storage of 100 new Ridership Growth Buses as well as providing bus garage capacity for additional buses purchased in the future.
- 11 additional Special Constables for the TTC's Subway Zone Patrol
- 2 Proof-of-Payment Inspectors to monitor fare compliance on the 501 Queen Streetcar.

TORONTO TRANSIT COMMISSION

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 outlook includes an increase in gross expenditures of \$79.9 million and \$67.7 million net. The 2009 outlook includes an increase in gross expenditures of \$54.6 million and \$35.4 million net. There are several factors driving the 2008 and 2009 outlook: These outlooks provide for increases in salaries and benefits in accordance with collective agreements until March 31, 2008 when the current three-year agreement ends. There is no salary increase factored into the 2008 outlook after March 2008. There is no salary increase factored into the 2009 outlook. However, a 1% increase in the Cost of Living Allowance will result in \$7 million in additional salary and benefits costs. Other factors driving the outlook are pension costs at \$4 million and other employee costs at \$5 million. In 2008, the annualized costs of the Mount Dennis Bus Garage startup in the fall of 2007 will exert \$5 million in incremental pressure. No fare increase is assumed for 2008 and 2009.

As well, there will be other pressures such as an on-going impact of \$24 million from increased growth in service including the Ridership Growth Strategy, as well as pressures from rising energy prices which could add up to \$12 million and general inflation which will add at least a \$4 million pressure each year.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The Federal government approved the business case for \$1.050 billion under the Canada Strategic Infrastructure Fund for funding of strategic transit projects and funding of \$1.5 million for transit security initiatives was approved.
- The TTC continued on the road to greater accessibility:
 - > with the opening of new elevators at Broadview, Jane and Osgoode stations and scheduled completion of another 7 elevators at 4 stations by 2008
 - > with the delivery of 230 new low floor buses in 2006 the average bus age has been reduced to 9.2 years (reduced from 10.8 years in 2005 and against a design life of 18 years) and 67% of the bus fleet is now accessible (from 55% in 2005)
 - > stop announcement programs are being implemented on the subway and surface systems to provide improved system navigation by persons with physical disabilities
 - > work has commenced on engineering specifications for a new LRT car which will set the standard for the purchase of new accessible streetcars in Toronto
- The TTC continued on the road to improved emissions and efficiency of operations:
 - > TTC's first 150 Diesel Electric Hybrid buses were delivered which are environmentally green and operate more efficiently
 - > Orders are in place for the delivery of 460 new buses to address an aging fleet and opportunities for growing transit ridership
 - » 360 more Diesel Electric Hybrid buses for delivery in 2007 (220) and 2008 (140)
 - » 100 Clean Diesel Ridership Growth Buses in 2007

TORONTO TRANSIT COMMISSION

- > Bike rack installations on buses for the benefit of cyclists are being addressed through retrofit and new bus specifications
- > The order was placed for the delivery of 234 new subway cars (39 trainsets) for delivery in 2009-2011 with improved safety and operational features and increased carrying capacity of about 8%
- > Work continued on Right of Way improvements on the St. Clair Avenue streetcar line which supports the City of Toronto's official plan in the replacement of this aging track system
- > Construction progressed in 2006 on the Mount Dennis Bus Garage, and when completed in 2007 this new 23,000 square metre facility will house 250 buses

FIVE-YEAR STRATEGIC OBJECTIVE

The TTC has allocated 85% of its Five-Year Capital Plan to maintaining the state of good repair in the system. Necessary replacements of surface and subway track, rehabilitation of bridges and tunnels, refurbishment of subway stations and new ventilation are all provided for in the TTC's 2007-2011 Approved Capital Budget. Vehicle replacement programs will see the purchase of new buses, light rail vehicles, and subway trains. Ridership growth projections will be met with appropriate levels of service facilitated by the purchase of 100 new ridership growth buses and the completion of the Mount Dennis Bus Garage to house these new buses. As well, the system's accessibility will continue to be increased by the installation of elevators in subway stations under Phase II and Phase III of the Easier Access program and the continued delivery of new replacement accessible vehicles.

2007 CAPITAL BUDGET HIGHLIGHTS

- Preparation work for the purchase of 204 low floor accessible Light Rail Vehicles to replace existing streetcar fleet plus 21 normal growth cars (\$0.600 million)
- Delivery of 220 new replacement buses plus 100 buses for growth for a total of 1225 new buses purchased by 2016 (\$224.326 million)
- Purchase of 234 new subway cars (39 train sets) with anticipated 8% increase in capacity (\$103.676 million)
- Completion of the Mount Dennis 250-bus garage in the fall of 2007 to address garage capacity requirements (\$30.842 million)

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following types of projects:

- Purchase of vehicles including: 204 streetcars, 183 to replace existing streetcars and 21 for growth; purchase of 234 subway cars; the purchase of 650 buses to replace existing buses and 100 buses for growth in peak service; and the overhaul of streetcars, subway cars, buses and Scarborough Rapid Transit (SRT) cars which totals \$1.8 billion and has a 2007 cash flow of \$395 million.
- Rehabilitating or developing structures such as: bridges, tunnels, yards, roads, garages and the Transit Control Centre which totals \$1.2 billion and has a 2007 cash flow of \$201 million.

TORONTO TRANSIT COMMISSION

- Rehabilitating or replacing of 6,226 feet of subway track and 700 ties and the maintenance or replacement of 30,000 feet of surface track which totals \$0.2 billion and has 2007 cash flow of \$64 million.
- Signal, electrical and communications systems purchase and rehabilitation which totals \$0.3 billion and has 2007 cash flow of \$66 million.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved	604,344	172,745	230,174	132,622	86,963	1,226,848
Total New Projects	112,960	370,922	167,865	111,911	19,499	783,157
Total TTC	717,304	543,667	398,039	244,533	106,462	2,010,005

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The TTC has identified incremental operating impacts of \$2.857 million in 2007, \$5.237 million in 2008, \$0.728 million in 2009, \$0.186 million in 2010 and \$0.164 million in 2011. These incremental operating costs will be due to the hiring of repair and maintenance staff for security upgrades and to operate the new Mount Dennis bus facility which opens in the fall of 2007. Given the number of new projects which will be completed in 2007, it is reasonable to assume that there will be additional incremental operating impacts which have not been identified.

ASSET INVENTORY

- **Infrastructure - \$5.2 Billion**
 - > 114 miles of Subway & SRT track & 398 switches/cross overs
 - > 280,000 double track feet (DTF) & 80 Special Track layouts along with streetcar overhead and pole systems
 - > Traction power feeder and distribution systems comprised of 56 substations, 32 breaker rooms and 550 cable chambers and 80 km of traction power cables for the supply of traction and AC power
 - > Communication systems
 - > Subway and SRT signal control systems
 - > 70 Subway and SRT stations with integrated bus terminal facilities
 - > Bridges and Tunnel Structures comprised of 103 Bridges/166 Retaining Walls / 68 Stations / 359 Misc. Structures / 53 km of running structures / 1056 Special Beam Spans
 - > 8 garages and 6 carhouses
 - > 4 heavy maintenance shops and 4 yards
 - > 10 divisions and 5 administrative buildings
 - > 27 Commuter Parking lots with 14,102 spaces
 - > Transit traffic signal equipped intersections and vehicles

TORONTO TRANSIT COMMISSION

- **Vehicles & Equipment – \$3.8 Billion**
 - > 1543 conventional buses
 - > 145 wheel trans buses
 - > 248 Streetcars (CLRV & ALRV)
 - > 678 Subway Cars
 - > 28 SRT Cars
 - > 64 Rail Non Revenue vehicle workcars
 - > 382 Automotive Non-Revenue vehicles including: 58 sedans, 178 light trucks and vans, 26 medium duty trucks, 62 heavy duty trucks, 15 swingloaders and front end loaders and 43 trailers
 - > Shop and maintenance equipment
 - > Revenue and Fare handling equipment

BACKLOG ANALYSIS

The TTC's State of Good Repair backlog will be \$308 million by the end of 2011. It is submitted that this level of SOGR backlog is manageable, given the City's debt funding levels. It will be managed with no impact on health and safety of TTC staff or passengers.

TORONTO ZOO

MISSION STATEMENT

The Toronto Zoo is Canada's premier zoo, known for its interactive education and conservation activities. As a unique wildlife experience, we inspire people to live in ways that promote the well being of the natural world.

2006 KEY ACCOMPLISHMENTS

- introduced a new interactive show called "Drumatic!" which was well received by our visitors
- completed the second year of implementation of the Enterprise Resources Planning (ERP) system, which focused on the roll out of the Financial and Service Management modules
- completed the design for the Tundra phase of the North Zoo Site Redevelopment Project
- developed a concept plan for the Learning Centre, including facility and program requirements
- completed construction on the Zoo's new animal Quarantine Facility
- tendered the renovations to the Australasia Pavilion, with the Great Barrier Reef area as the centerpiece of this project
- continued a program to address animal welfare and maintenance concerns cited by the American Zoo and Aquarium Association and the Canadian Council of Animal Care; two agencies that accredit the Zoo
- maintained Zoo memberships at 28,300 households

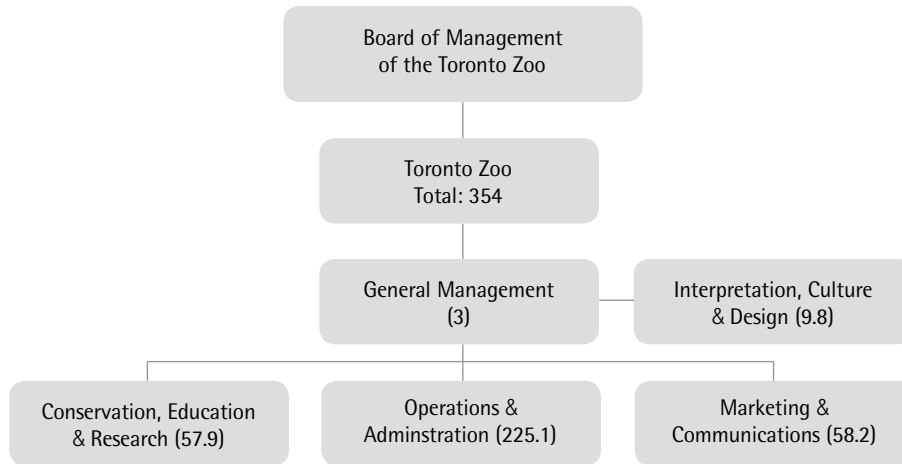
2007 PROGRAM OBJECTIVES

- achieve an attendance level of 1,190,000
- actively promote the special Dinosaur Exhibit and other events, the new Great Barrier Reef area and the Zellers Discovery Zone
- complete implementation of the ERP system, which will address the installation of the Point of Sale and Human Resource Management systems
- continue the program of improvements to public and animal areas to address concerns raised by the agencies that accredit the Zoo in preparation for the accreditation team visit later in 2007
- proceed with construction of the Tundra phase of the North Zoo Site Redevelopment and complete the detailed design on Phase II
- build a Great Barrier Reef habitat in the Australasia Pavilion

TORONTO ZOO

PROGRAM MAP

Toronto Zoo is comprised of three services with a total staffing complement of 354 approved positions..



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- provide a balanced offering of animal exhibitory and other special events / exhibits to maintain and grow the attendance base
- offer exciting experiences that inspire visitors to care about nature and commit to personal action
- build a higher profile in wildlife education, conservation and research
- strengthen community involvement to increase public pride in, and ownership of, the Zoo
- continue pursuing alternative sources of revenue to broaden the Zoo's program and funding base
- undertake a campaign to raise funds for capital projects and conservation and education programs
- maximize efficiencies by fully leveraging the benefits of the ERP system
- begin construction on the multi-phased North Zoo Site Redevelopment project
- develop a "Green Plan", outlining infrastructure and program initiatives to further the "greening" of the Zoo over the long term and educate the community

TORONTO ZOO

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	20,530.8	20,621.7	21,390.3	859.5	4
Materials & Supplies	5,522.4	5,077.5	5,794.0	271.6	5
Equipment	792.5	856.1	594.5	(198.0)	-25
Services & Rents	8,489.2	8,195.4	9,093.5	604.3	7
Interdepartmental Charges	0.0	0.0	0.0	0.0	N/A
Contribution to Res/Res Fund	672.0	672.0	136.0	(536.0)	-80
Other Transfers	0.0	0.0	0.0	0.0	N/A
Cost of Goods Sold	1,416.1	1,250.0	1,449.9	33.8	2
Total Gross Expenditures	37,423.0	36,672.7	38,458.2	1,035.2	3
Funded by					
Grants from Others	526.4	224.3	488.4	(38.0)	-7
Federal Subsidies	0.0	0.0	0.0	0.0	N/A
Other Subsidies	0.0	0.0	0.0	0.0	N/A
Interdepartmental Recoveries	0.0	0.0	0.0	0.0	N/A
Contribution from Res/Res Funds	672.0	672.0	136.0	(536.0)	-80
User Fees	24,214.7	23,925.2	26,010.4	1,795.7	7
Other	339.8	325.4	284.0	(55.8)	-16
Total Revenue	25,752.9	25,146.9	26,918.8	1,165.9	5
Total Net Expenditures	11,670.1	11,525.8	11,539.4	(130.7)	-1
Approved Positions	354.0	354.0	354.0	0.0	0

2007 OPERATING BUDGET BY SERVICE

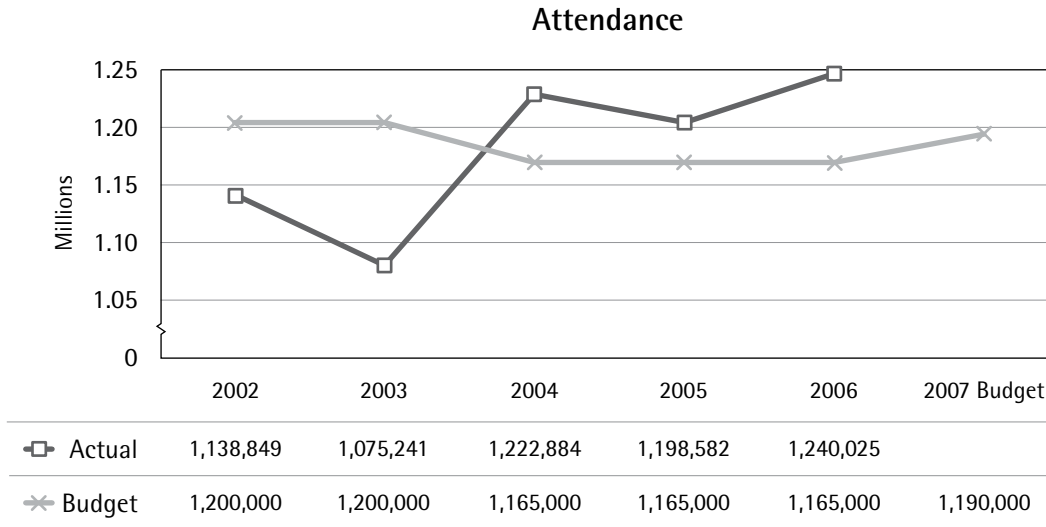
Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Conservation, Education & Research	9,826	9,290	5,063	3,737	5,090	3,783	28	0.5	46	1.2
Marketing & Communications	9,730	974	9,307	673	9,931	118	624	6.7	(555)	(82.5)
Operations & Administration	14,752	14,567	20,735	20,493	21,471	21,253	736	3.6	760	3.7
General Management	917	881	1,647	1,549	1,830	1,764	183	11.1	215	13.9
Animal & Endangered Species	136	-	672	-	136	-	(536)	(79.8)	-	-
Revenue & Recoveries	-	(14,147)	-	(14,782)	-	(15,379)	-	-	(597)	4.0
Total Program Budget	35,361	11,566	37,423	11,670	38,458	11,540	1,035	2.8	(131)	(1.1)

TORONTO ZOO

KEY PERFORMANCE MEASURES

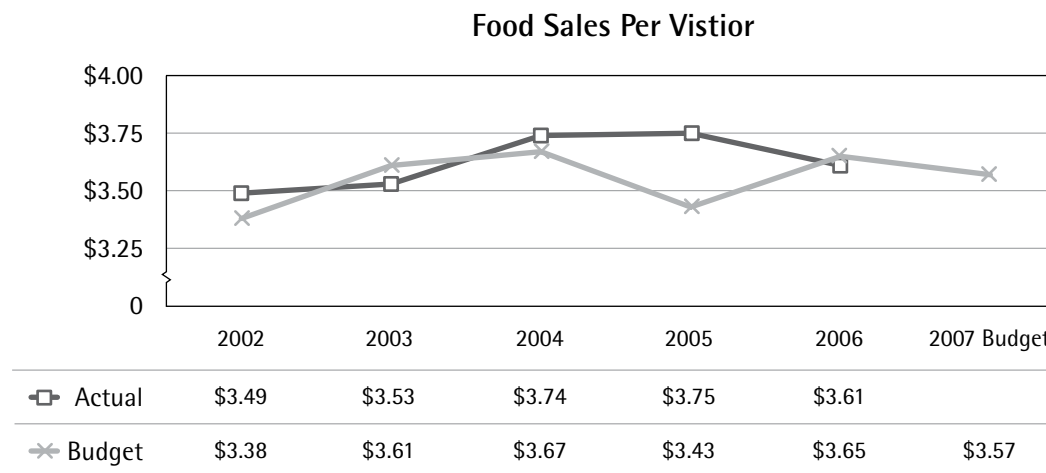
Attendance

Attendance trend is influenced by many factors including weather, new exhibit openings and effective promotion. Results in 2006 and 2005 were significantly influenced by the impact of moderate temperatures, 2004 by the opening of the Kid's Zoo, while 2003 was adversely impacted by Sever Acute Respiratory Syndrome (SARS) outbreaks.



Food Sales

The 2007 budget for food sales per visitor is in line with recent actual experience. Since 2002, food sales per visitor has increased by 14%.



TORONTO ZOO

Retail Sales

Actual retail sales have been predominantly flat since 2002. The budgeted target for 2007, while lower than some previous years, is 16% higher than the 2006 actuals.

Retail Sales Per Visitor



2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget provides for the following additional services:

- one-time funding of \$0.056 million net to support additional maintenance and state of good repair
- \$0.020 million net for the one-time purchase of new animal care equipment
- \$1.2 million gross (with savings of \$0.675 million net) to stage a special Dinosaur exhibit for 2007 only

2008/2009 OPERATING BUDGET OUTLOOK

- The Zoo is facing numerous challenges in 2007 and beyond. Primary among these is the challenge to meet City affordability targets. The 2007 budget target was achieved in part by the introduction of the temporary dinosaur display, however, the one-time net revenue produced by this exhibit will not flow through to 2008. Various opportunities for other one-time and multi-year exhibits are currently being examined to assist the program in addressing the challenge of meeting affordability targets in 2008 and beyond.

TORONTO ZOO

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- completed the design and tendered the Tundra phase of the North Zoo Site Redevelopment Project
- developed a concept plan for the Learning Centre
- completed construction on the Zoo's new animal Quarantine Facility
- finalized the planning and design work for renovations to the Australasia Pavilion
- enhanced Splash Island water park with the addition of two tipping buckets

FIVE-YEAR STRATEGIC OBJECTIVE

- The Zoo's Approved 2007-2011 Capital Plan reflects the implementation of various major Board approved reports: the Building Audit Report and Site Services Study, the Revenue and Visitor Experience Enhancement Study, the report on Information Needs 2000, the North Zoo Site Redevelopment Feasibility Study and the Animal Health Facilities Feasibility Study. The Capital Plan is also informed by the continuation of the Zoo's 25-year Master Plan of 1990 and directions provided in the 2001 Strategic Plan.
- The approved Five-Year Capital Plan totals \$48.3 million, of which \$15.4 million (32%) of the funding is allocated to State of Good Repair (SOGR) projects and \$32.9 million (71%) to Service Improvement initiatives. The latter is driven largely by the North Zoo Site Redevelopment Project and the Elephant Paddock initiative. Although both of these projects are categorized as service enhancements, their completion will in effect greatly reduce the Zoo's SOGR backlog.
- The North Zoo Site Redevelopment Project, which totals \$27.9 million or 58% of the approved 2007-2011 Capital Plan represents a complete overhaul of the Canadian, Eurasian, and Americas exhibits. Over the next five years, the first three phases of the Project (Tundra Biome, Eurasia Redevelopment, and Mixed Woodland/Boreal Forest) are planned for completion.
- The Approved Five-Year Capital Plan includes external funding of \$17.8 million. Of this amount, the Zoo projects to fundraise \$9.0 million by 2010 and an additional \$8.8 million by 2011. The vast majority of these funds are earmarked for the outstanding phases of the North Zoo Site Redevelopment Project as well as for its Elephant Paddock expansion. The program has already carried out an assessment of its fundraising potential, and is confident that it can adequately augment the City's investment in its capital improvements.

TORONTO ZOO

2007 CAPITAL BUDGET HIGHLIGHTS

- complete renovations to the Australasia Pavilion and the opening of the Great Barrier Reef exhibits (\$1.8 million)
- continue the detailed design and construction of the Tundra phase of the North Zoo Site Re-development Project (\$8.6 million)
- plan for the expansions and modifications to the elephant exhibit (\$0.1 million)
- continue upgrading the Zoo's information systems (\$0.7 million).

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The Five-Year Capital Plan includes the following four projects:

- Tundra Biome (\$10.7 million gross, \$8.2 million net)
This project represents the first phase of the North Zoo Site Redevelopment Project. The Biome will feature new exhibits in 2008 for Canadian animals including polar bears, arctic wolves, caribou and grizzly bears.
- Eurasia Redevelopment (\$5.3 million gross, \$3.5 million net)
This second phase of the North Zoo Site Redevelopment Project is slated to begin in 2009. When completed in 2010, the area will house those animals that are native to Europe and Asia such as snow leopards, camels and tigers.
- Mixed Woodland/Boreal Forest (\$10.7 million gross, \$0.2 million net)
The third phase of the North Zoo Site Redevelopment Project will commence in 2010 with construction scheduled to be finished in 2011. Moose, elk, cougars and bison will be displayed in this region of the Zoo.
- Elephant – Winter Holding/Paddock Expansion (\$5.2 million gross, \$1.4 million net)
Given the large size of the Zoo's elephant herd, as well as heightening standards and public expectations, an enlarged indoor exercise space is required. Hence, the Approved Five-Year Capital Plan includes \$0.1 million to perform the necessary feasibility study and concept review in 2007, with construction to occur in 2009 and 2010, at a cost of \$2.0 million and \$3.1 million respectively.

TORONTO ZOO

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Previously Approved						
Australasia Pavilion/Exhibit Refurbishment	700	-	-	-	-	700
North Site Redevelopment Detailed Design	690	-	-	-	-	690
North Site Tundra Construction	5,203	3,260	-	-	-	8,463
Total Previously Approved	6,593	3,260	0	0	0	9,853
New Projects						
Exhibit Refurbishment	159	-	-	-	-	159
Australasia Pavilion Refurbishment	14	-	-	-	-	14
North Site Redevelopment Detailed Design	13	0	-	-	-	13
North Site Tundra Construction	99	62	-	-	-	161
Grounds & Visitor Improvements	288	-	-	-	-	288
Roof & Skylight Repairs	209	-	-	-	-	209
Electrical, Mechanical, Buildings & Roofs	715	-	-	-	-	715
Elephant - Winter holding/Paddock Expansion	100	-	-	-	-	100
Total New Projects	1,597	62	0	0	0	1,659
Total Toronto Zoo	8,190	3,322	0	0	0	11,512

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The incremental operating impact of the 2007 Capital Budget is limited to:

- \$0.020 million to upgrade current IT infrastructure in order to ensure computing demand does not exceed capacity
- \$0.124 million for two additional keepers as well as service requirements associated with the North Zoo Site Redevelopment Tundra Biome initiative. This phase of the North Zoo Site Redevelopment Project phase is scheduled to be completed by 2008.

ASSET INVENTORY

TORONTO ZOO

The program's inventory of hard assets is valued at more than \$115 million and is primarily composed of exhibits that house the Zoo's 5,000 animals as well as such amenities as its 2-acre water play area (Splash Island) and its 1,000-seat Waterside Theatre.

BACKLOG ANALYSIS

The Toronto Zoo has accumulated a current SOGR backlog of approximately \$105.3 million by the end of 2006. Implementation of the approved Five-Year Capital Plan will result in the SOGR backlog being reduced to \$70.6 million by 2011.

YONGE-DUNDAS SQUARE

MISSION STATEMENT

The mission of the Yonge-Dundas Square Board of Management is to responsibly manage Yonge-Dundas Square and enhance the vitality of downtown; to launch, promote and operate Yonge-Dundas Square as a unique public square borne from the passion of its community, including the energy of commercial participation, so as to develop a positive perception by way of its activities, security and cleanliness.

2006 KEY ACCOMPLISHMENTS

- increased attendance to 660,235 visitors
- in-house production of 108 multicultural concert presentations, lunchtime jazz performances, outdoor film screenings and busker entertainment
- hosted major Toronto festivals and events including Celebrate Toronto Street Festival, 2006 International AIDS Conference and Vigil, Best Buy Greater Toronto Area (GTA) Flagship Store Launch and NXNE Music Festival
- established new print and broadcast media partnerships resulting in a substantial increase in media coverage and promotion
- introduced complimentary WIFI on site
- secured new revenue sources, including sightseeing services kiosk
- expanded the Artisan Market establishing a highly successful Friday evening market place

2007 PROGRAM OBJECTIVES

- Yonge-Dundas Square Board of Management will continue its work to effectively manage the one-acre Square as one of Toronto's premiere public spaces.
- Designated as a high profile event venue, the Square will again host an array of community festivals, performing arts events, receptions and product launches.
- Yonge-Dundas Square will also continue its efforts to appeal to a wide range of people, residents and visitors alike, by showcasing local and national artists and businesses.
- Yonge-Dundas Square will continue to be an attractive and animated focal point in the community, hosting a multitude of commercial and community events that generate renewed interest in the area for shopping, entertainment, tourism and private sector development.

PROGRAM MAP

Yonge-Dundas Square is comprised of one service, with a total staffing complement of 4.0 approved positions.

Yonge-Dundas Square
(4)

YONGE-DUNDAS SQUARE

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- increase self-produced programming with support from private sector sponsorships
- use self-produced programming as a tool to position Yonge-Dundas Square as a premier outdoor urban venue for both commercial and community events
- increase earned revenue to support ongoing animation of the Square with signature events that support the City's Economic Development, Culture and Tourism objectives.

2007 OPERATING BUDGET BY CATEGORY

(in \$000s)

Description of Category	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	253.9	255.4	290.5	36.6	14
Materials & Supplies	146.3	121.1	135.0	(11.3)	-8
Equipment	0.0	0.0	0.0	0.0	N/A
Services & Rents	672.2	800.5	739.7	67.4	10
Contributions & Transfers	0.7	1.5	1.5	0.7	96
Others (Includes IDCs)	0.0	0.0	0.0	0.0	N/A
Total Gross Expenditures	1,073.2	1,178.5	1,166.6	93.4	9
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	489.8	611.2	583.2	93.4	19
Reserves/Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	489.8	611.2	583.2	93.4	19
Net Budget	583.3	567.3	583.3	0.0	0
Approved Positions	4.0	4.0	4.0	0.0	0

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Yonge-Dundas Square	1,008	571	1,073	583	1,167	583	93	8.7	0	0.0
Total Program Budget	1,008	571	1,073	583	1,167	583	93	8.7	0	0.0

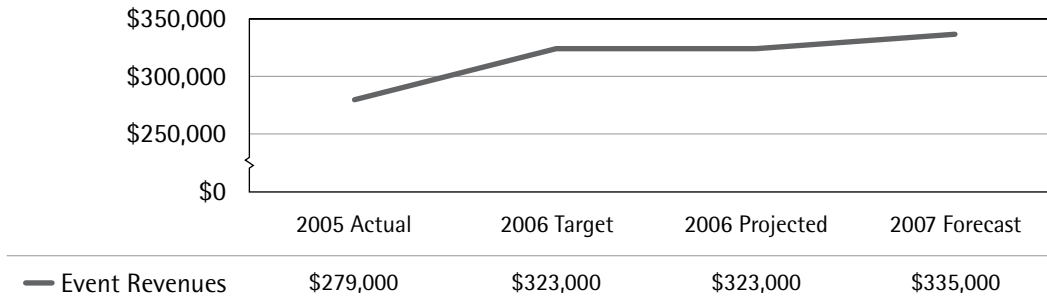
YONGE-DUNDAS SQUARE

KEY PERFORMANCE MEASURES

Service Levels

Event revenues received continues to grow with increased demand from the community and private sector, increased volume of events on the Square and expanded programming such as adding a shoulder season to the Artisan Market. Event revenues comprise of event permit fees, Artisan Market fees and event support revenues.

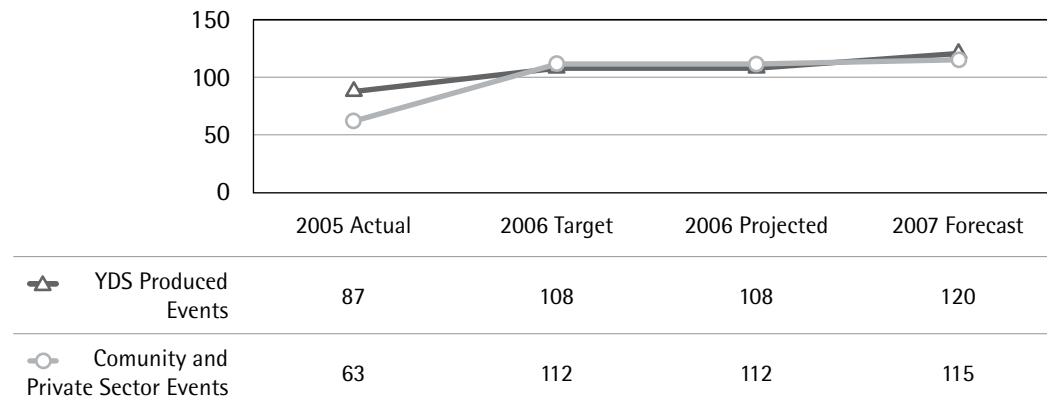
Dollar Value of Event Revenues Received



Output Measure

Yonge-Dundas Square's major service activity is to host events that promote the economic, culture and tourism objectives of the City and to animate the Square with self-produced programming. Targeted outcomes include increased usage by private sector and multicultural community groups by at least 10% and host over 100 events in 2007, and to increase regularly scheduled programming by 10% to 120 events per year.

Number of Programmed Activities

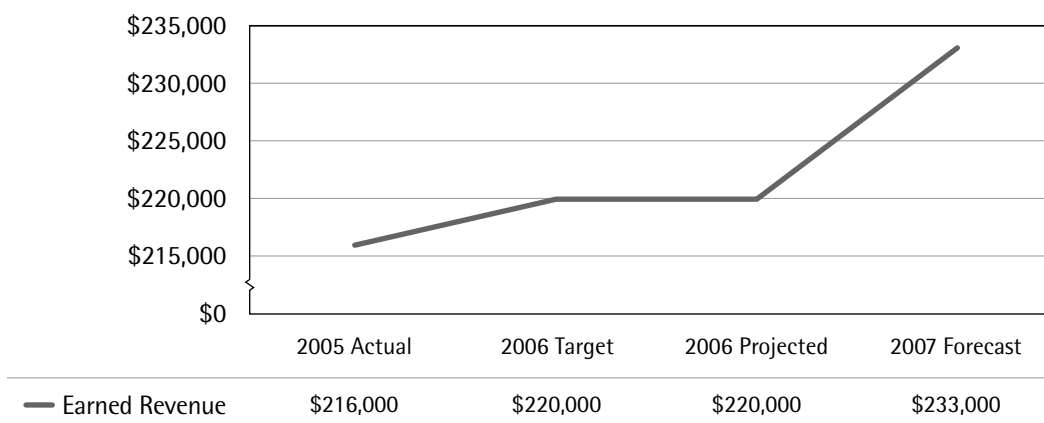


YONGE-DUNDAS SQUARE

Efficiency Measure

Annual earned revenue from sources other than events continues to grow, with an emphasis to increase sponsorship of self-produced events in 2007. In 2006, YDS achieved increased sponsorships of in-house programming and secured new revenue sources such as the sightseeing services kiosk. Other revenue sources include sponsorships, signage agreements, sightseeing services kiosk space rental, and food and beverage.

Earned Revenue From Sources Other Than Events



2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- support the production of 120 events in 2007
- host 115 community and private sector events
- generate event revenues of \$0.335 million in 2007
- provide group health benefits to the permanent employees of the Yonge-Dundas Square Board of Management starting May 2007

2008/2009 OPERATING BUDGET OUTLOOK

- The Yonge-Dundas Square Board of Management will continue to focus on increasing earned revenues to fund its programs that support the objectives of the City's Economic Development, Culture and Tourism Division.
- The 2008 and 2009 Outlook net increase of \$0.035 million in 2008 and \$0.0 million in 2009 respectively represents the annualization of the employee benefits provision. The annualization pressure will be addressed during the 2008 budget process.

YONGE-DUNDAS SQUARE

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The significant project to design, build and install the custom built stage canopy changed in scope and required design modifications to meet City building safety standards and codes thus delaying completion until spring of 2007.
- The project to install additional lighting components (deferred from the original design of the Square) to provide a significant safety oriented improvement to the facility could not proceed in 2006 until the stage canopy construction was completed. This lighting project has been carried forward into 2007.

FIVE-YEAR STRATEGIC OBJECTIVE

Capital maintenance and improvements are the responsibility of the Board of Management of Yonge-Dundas Square. With no capital improvements slated for 2007, the Board of Management will focus on identifying the significant issues and challenges inherent in managing a City facility over a period of several years, developing a strategic path to manage the venue and its inventory as it ages.

In 2008, the Board of Management will complete its scheduled capital project to replace the stainless steel oculus on the Square and address the safety concerns that currently occur every winter. Feasibility studies are currently being conducted.

Yonge-Dundas Square is still a recently built facility, and as such, has no serious ongoing issues pertaining to state of good repair and deferred maintenance. This will, however, change as the facility and its inventory ages. The Board of Management will focus its efforts in 2007 on the development of a comprehensive multi-year plan that will identify issues that will need to be addressed in future Capital Plans.

2007 CAPITAL BUDGET HIGHLIGHTS

There are no new capital projects in 2007. The 2007 Approved Capital Budget will complete the stage canopy project and the lighting project with \$0.245 million of cash flow carried forward from 2006 into 2007.

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

The 2008-2011 Capital Plan outlines the capital investments required to maintain the state of good repair of the Yonge-Dundas Square infrastructure which includes:

- replacing the large steel grate in the oculus to address a health and safety issue requiring \$0.100 million debt funding in 2008
- state of good repair projects requiring debt funding of \$0.050 million in each year of 2009 and 2010
- no debt guideline was assigned to year 2011

YONGE-DUNDAS SQUARE

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
New Projects:						
No new projects in 2007	0	-	-	-	-	0
Total New Projects	0	0	0	0	0	0
Total Yonge-Dundas Square	0	0	0	0	0	0

Incremental Operating Impact of the 2007 Capital Budget

With the completion of the stage canopy project by early 2007, there will be operating savings of \$0.011 million in 2007 as there will be no need to rent a temporary canopy for the stage.

ASSET INVENTORY

The Program will be developing an asset inventory.

BACKLOG ANALYSIS

The Program does not have a backlog of state of good repair projects as the Square is relatively new.

CITY OF TORONTO

2007

Budget Summary

Non-Levy Operations



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TORONTO PARKING AUTHORITY

MISSION STATEMENT

The Toronto Parking Authority exists to provide safe, attractive, self sustaining, conveniently located and competitively priced off-street and on-street public parking as an integral component of Toronto's transportation system.

2006 KEY ACCOMPLISHMENTS

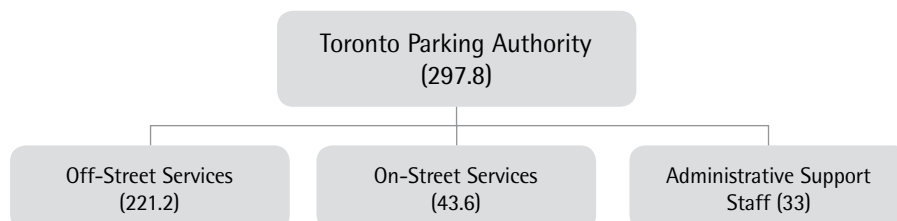
- addressed off-street parking shortfall through opening 13 new carparks in various neighbourhoods
- converted approximately 1,100 on-street spaces to pay-and-display machines from old-style meters to improve customer service and enhance revenue generation
- completed conversion, started in 2005, of seven facilities to automated pay-on-foot technology to improve service and reduce costs
- continued development of e-commerce payment options
- completed all major maintenance projects that were planned
- contributed \$32.7 million to the City in 2006.

2007 PROGRAM OBJECTIVES

- Short-Term Parking: satisfying the short-term parking shortfalls identified within the various business areas of the City.
- Supporting Local Business: achieved by the following:
 - a) satisfying short-term parking needs
 - b) providing alternative payment options for customers (convenience)
 - c) constantly improving customer service
 - d) innovative solutions to specific parking problems
- Innovative and Economic Expansion of Services: examine/utilize new technology to enhance service and reduce operating costs; and expand through joint partnerships with the private sector at reduced costs.
- Self Funding: constantly seeking ways to enhance revenue and provide services at lower costs through new technology and automation.

PROGRAM MAP

The Toronto Parking Authority is comprised of two services with a total of 297.8 approved positions.



TORONTO PARKING AUTHORITY

2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

- continued focus on satisfying short-term parking shortfalls while increasing net profits
- continued expansion and promotion of the Toronto Parking Authority's corporate convenience card
- examine additional automation opportunities
- substantial completion of upgrade/conversion of on-street meters to pay-and-display technology in areas where a reasonable payback is obtainable
- continued focus on opportunities to satisfy urgent parking needs in areas that have identified parking shortfalls (Particular focus will be placed on St. Clair Avenue between Yonge Street and Gunn Avenue for additional off-street spaces to replace spaces that will be lost on-street due to the Toronto Transit Commission's street car right of way.)

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	17,012.1	16,940.9	17,732.0	719.9	4
Materials & Supplies	4,750.1	5,092.8	5,292.1	542.0	11
Equipment	6,578.9	6,861.4	7,225.1	646.2	10
Services & Rents	12,321.3	13,477.4	13,388.8	1,067.5	9
Contributions & Transfers	0.0	0.0	0.0	0.0	N/A
Others (Includes IDCs)	14,138.9	14,122.9	14,166.7	27.8	0
Total Gross Expenditures	54,801.3	56,495.4	57,804.7	3,003.4	5
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	92,500.2	97,188.6	99,105.3	6,605.1	7
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	2,684.4	3,113.4	3,128.8	444.4	17
Total Non-tax Revenues	95,184.6	100,302.0	102,234.1	7,049.5	7
Net Budget	(40,383.3)	(43,806.6)	(44,429.4)	(4,046.1)	10
Approved Positions	298.2	294.6	297.8	(0.4)	0

2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Off-Street Parking	43,950	(16,899)	43,866	(15,318)	46,082	(18,153)	2,215	5.0	(2,834)	18.5
On-Street Parking	10,333	(25,989)	10,935	(25,065)	11,723	(26,277)	788	N/A	(1,212)	N/A
Total Program Budget	54,282	(42,887)	54,801	(40,383)	57,805	(44,429)	3,003	5.5	(4,046)	10.0

TORONTO PARKING AUTHORITY

2007 OPERATING BUDGET HIGHLIGHTS

The 2007 Operating Budget will provide the following services:

- operation of approximately 20,000 off-street spaces in 180 facilities including 22 parking garages, as well as 18,000 on-street spaces controlled by pay-and-display technology or single spaced meters
- In addition, the Authority manages on behalf of the Toronto Transit Commission, 14,000 spaces at their park-and-ride facilities and parking areas on behalf of the Parks, Forestry and Recreation Program serving the waterfront parks during the summer season.

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 and 2009 Outlook maintains the 2007 level of service while managing the cost of living allowance (COLA) and merit/step increments for union and non-union staff.
- The Toronto Parking Authority will continue to respond to parking needs, explore new technologies and examine ways to reduce costs and enhance revenue.

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- converted approximately 1,100 on-street spaces to pay-and-display machines from old-style metres to improve customer service and enhance revenue generation
- successfully concluded a joint venture development project with the private sector to provide short-term parking spaces at minimal cost to the Toronto Parking Authority
- converted seven facilities to automated pay-on-foot technology to improve serve and reduce costs

FIVE-YEAR STRATEGIC OBJECTIVE

Funding for the Five-Year Capital Plan enables the implementation of solar powered and environmentally friendly pay-and-display technology; ensures the acquisition of property and the development of new facilities to satisfy future demand for off-street parking; and expansion and/or redevelopment of existing parking infrastructure.

2007 CAPITAL BUDGET HIGHLIGHTS

- development of several new off-street parking facilities at the following locations: College - Dovercourt to Lansdowne; St. Clair - Oakwood Business Improvement Area; St. Clair West - Corso Italia/carpark 41; Yonge - North of Finch; and, Yonge/Summerhill. (Needs assessments have identified that these areas as requiring additional short-term off-street parking spaces to enhance the local business climate.)
- Funding is also included for expansion of the highly successful environmental friendly pay-and-display technology which has replaced on-street meters.

TORONTO PARKING AUTHORITY

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- Growth projects account for \$58.617 million of the Five-Year Capital Plan. Growth projects are primarily driven by the acquisition of properties for the development of new off-street parking facilities based on feasibility and needs assessment studies.
- The Five-Year Capital Plan reflects the allocation of significant funding to service improvement projects accounting for approximately \$69.408 million. These projects are mainly comprised of the expansion and/or redevelopment of existing parking facilities and infrastructure such as pay-and-display technology.

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Total Previously Approved	12,205	7,483	-	-	-	19,688
Total New Projects	15,301	9,000	-	-	-	24,301
Total Toronto Parking Authority	27,506	16,483	0	0	0	43,989

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The Five-Year Capital Plan includes incremental operating revenue generated from user fees of \$0 million in 2007; \$0.593 million in 2008; \$1.022 million in 2009; \$1.575 million in 2010; and \$1.620 million in 2011. In total, the incremental revenue generated from user fees amounts to \$4.810 million.

ASSET INVENTORY

On-Street Facilities

- over 18,000 metered parking spaces
- inventory of 1,500 old style meters and 2,550 pay-and-display machines

Off-Street Facilities

- over 21,000 spaces in 182 parking lots
- 10 attended lots
- 13 automated garages and surface lots
- 159 unattended facilities using pay-and-display technology

BACKLOG ANALYSIS

The Toronto Parking Authority does not have a significant backlog of state of good repair projects. The backlog, estimated at \$0.750 million for 2007, will be fully addressed within the Five-Year Capital Plan. The backlog includes maintenance activities such as lighting/electrical/sprinkler upgrades, paving and painting at off-street parking facilities.

TORONTO WATER

MISSION STATEMENT

Toronto Water is committed to providing its customers with quality water services through supplying drinking water and treatment of wastewater essential for protecting public health and safety, in an environmentally responsible manner. By providing superior water quality and sewage services at reasonable prices, the program will become the service provider of choice, and renowned worldwide as a centre of expertise.

2006 KEY ACCOMPLISHMENTS

Toronto Water successes are often of a cumulative nature and accomplished over a number of years. The following highlights Toronto Water's achievements for 2006:

Stewardship of the Environment

- Staff conducted in excess of 85,000 tests on wastewater samples collected from the four wastewater treatment plants and industrial sectors around the City.
- launched an Outfall Monitoring Program starting in the Taylor Massey Creek area (The Program will be moving across all of the six watersheds in the City over the next five years and is designed to identify and map all municipal and private outfalls discharging into the City's creeks and rivers. Samples will be collected and tested from these outfalls to identify potential cross-connection problems between sanitary and storm sewers. Sewer Bylaw Officers have investigated a number of potential problems with local property owners.)
- Toronto Water's Sewer Use Bylaw won awards and is recognized as one of the most restrictive of its type in Canada.
- Provided assistance to approximately 2,300 homeowners to disconnect their downspouts from the sewer system
- Initiated a number of Class Environmental Assessments required as the first step in implementing the Wet Weather Flow Master Plan

Increase Capacity for Growth

- Winner of the American Water Works Association Public Achievement Award for educating the public, promoting awareness of water issues and engaging residents and businesses in model behaviour regarding water usage and source protection (Water Efficiency Program and Downspout Disconnection Program)
- Awarded a silver award in the Public Service Quality Fair for the promotion and delivery of the City of Toronto's Toilet Replacement Program in the multi-residential and single family sectors as part of the Water Efficiency Program
- Continued in 2006 to exceed the targeted water saving anticipated from the Water Efficiency Program
- Initiated the process to design the expansion of the Horgan Water Treatment Plant scheduled to start operation in 2011-12. The increased treatment capacity will help meet some of the future growth needs of the City and the Region of York.

TORONTO WATER

Water Quality

- completed licensing of staff that test drinking water as Water Quality Analysts and increased the scope of the City's laboratory accreditation

Customer Service Delivery

- effectively managed the realignment of the staffing resources to improve system performance and enhance customer service
- responded to an estimated 17,000 water meter complaints
- Trenchless rehabilitation techniques were enhanced to extend the useful life of the City's sewer infrastructure and minimize the impact on adjacent homes and businesses.

Optimizing Work Process and Workforce

- continued the roll out of numerous continuous improvement projects
- Silver awards of recognition from the Public Sector Quality Fair for the following initiatives:
 - > Succession Planning in a Unionized Environment
 - > Water Services Repair Program
- provided Toronto Water staff with numerous training and development opportunities to ensure staff are retained and exceed the provincial mandated training and certification regulations
- Reviewed and standardized the work practices to optimize efficiency in field operations

Technology Efficiencies and Improvements

- enhanced the Laboratory Information Management System (LIMS) to improve lab staff efficiency in managing day-to-day work
- New technology was put to work and efficiencies improved by installing combination sewer cleaners, vacuum excavation equipment, and closed circuit camera equipment for sewer inspections to lower costs.
- Continued focus on strategic planning and long-term management of all Toronto Water physical assets.
- Began odour control and heating system improvements at the Ashbridges Bay Treatment Plant.

2007 PROGRAM OBJECTIVES

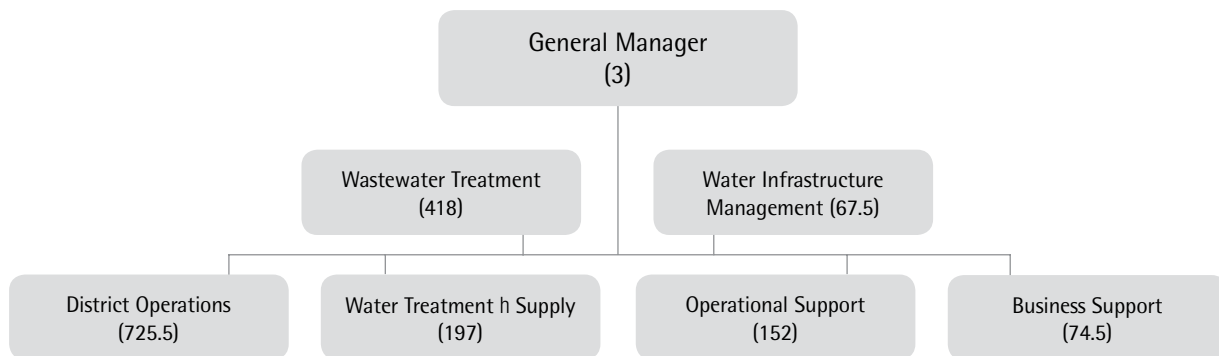
The theme of the Capital and Operating Budgets is "Building a Better Tomorrow" and reflects the level of investment that is required to meet the needs of the community. Toronto Water's objectives for 2007 and beyond have been extensively documented in the Toronto Water Multi-Year Business Plan adopted by Council in 2005. Toronto Water will achieve their mission statement through the following major objectives:

- planning for the necessary investment to ensure drinking water quality continues to exceed the provincial legislative requirements
- renew and rehabilitate ageing infrastructure (This requires significant long-term infrastructure investment.)
- establish a rate structure that will enable the City to finance the accelerated capital investment needed to address the system's significant infrastructure deficit
- respond effectively to recent and anticipated changes in the legislative environment, many of which result from the Walkerton tragedy

TORONTO WATER

- provide adequate and effective attention to source water protection as a key component to protect the quantity and quality of surface and ground water supplies before they are captured for human use
- meet stringent new provincial reporting requirements, including the pending full cost accounting, reporting of said costs, and full recovery
- improve capacity of the current system to provide water and wastewater services to meet projected population growth
- standardize and harmonize processes and practices, both in the plants and in the district operations areas, with continuous improvement initiatives, some of which require implementation of appropriate, updated technology infrastructure and replacement of outdated aging assets (These changes will ultimately improve customer service delivery.)
- increase strategic policy focus on water and wastewater long term issues
- Toronto Water is comprised of six major services, with a total of 1,624.5 approved positions.

PROGRAM MAP



2007 STRATEGIC DIRECTION AND SERVICE PRIORITIES

Toronto Water is responsible for operating, maintaining and improving a waterworks system for the treatment, transmission, storage distribution of potable water. These services must be provided 24 hours per day, 7 days per week and require the operation of four water filtration plants, 18 water pumping stations, ten major ground level storage reservoirs, four elevated storage tanks and the operations and maintenance of 510km of trunk and 5,015km of local distribution network, including 40,460 hydrants and 470,202 service connections.

In addition, the water requirements of a major portion of York Region are supplied under an agreement between the City of Toronto and the Region. The quality of water produced and distributed must meet or exceed all federal and provincial guidelines, most notably the Ministry of the Environment's new legislation for drinking water quality.

The program manages and services the City's 4,397km of sanitary, 1,301km of combined sewer and 4,305km of storm sewer, four wastewater treatment plants, 82 wastewater pumping stations, five storage and detention tanks, 463,300 service connections and 120,000 maintenance holes. The service also includes 371km of watercourses and 43 stormwater management ponds all located on an area of 630 square kilometres.

TORONTO WATER

Addressing Renewal Needs of Aging and Deteriorating Infrastructure

Water and sewer infrastructure is ageing. Projects that maintain the state of good repair represent more than 70% of the 2007 Capital Budget. These projects are intended to extend the useful life of assets, ensure service reliability and postpone replacement.

- **Rehabilitation:** Toronto Water continues several programs designed to rehabilitate aging watermains. Examples include installing cathodic protection, cleaning and lining watermains and replacing deficient hydrants and valves to improve system performance.
- **Replacement:** where pipes are structurally deficient or where increased water demand or sewer flow warrants larger pipe sizes, replacement projects have been identified and included in the budget. In many areas sewer relining and trenchless technology methods will be used to minimize the impact of the program on local communities.
- **Treatment Facilities:** Toronto Water continues to replace aging or obsolete electrical/mechanical equipment and refurbish buildings at water supply and wastewater treatment plants and pumping stations. These projects are intended to maintain state of good repair and ensure on-going compliance with the Safe Drinking Water Act and related Ministry of the Environment regulations.

Increasing Total System Capacity to Keep Pace with Population Growth

Additional capacity will be required to service a projected population of 3 million people by 2031. To address this need, the budgets include funding for the following:

- **Water Efficiency:** continuation of the City's water efficiency and water loss reduction initiatives. The aim of the program is to reduce 15% of water usage by 2011, freeing up capacity to accommodate growth needs while delaying costly plant expansions. Examples of water efficiency programs are low flow toilet replacement programs for multi-residential properties, public education/awareness and water efficiency kit programs for homeowners.
- **Reducing Watermain Loss:** the budget includes funding aimed at reducing watermain leakage. Programs will be developed to identify areas of the distribution system that are experiencing undetected water loss. These deficient pipe sections will be rehabilitated, repaired or replaced depending on the severity of damage.
- **Servicing Customer Water Needs:** additional capacity will be required in the future. The partnership with York Region includes expansion projects to meet maximum flow demand in the City, while economically supplying the Region as well.

Stewardship of the Environment

- **Wet Weather Flow Master Plan:** funding for projects that advance Wet Weather Flow Master Plan have been included in the budget. These projects are all in accordance with Council priorities of progressing on the waterfront and making Toronto a clean and beautiful City. Several stormwater management and watercourse improvement projects have been included in the budget; all intended to improve water quality conditions in area watercourses and along the waterfront. These projects include a broad range of initiatives including channel naturalization, erosion control, constructed wetlands, infiltration systems and source water control projects.

TORONTO WATER

- **Biosolids and Residual Master Plan:** the final plan still remains to be completed pending public consultation and peer review, however, construction of residual management facilities will be completed at the Harris Water Treatment Plant. Work is continuing at the Clark Water Treatment Plant scheduled for completion in 2008. Additional residual facilities will follow at the Horgan Water Treatment Plant along with planned expansion work that forms part of the agreement with York Region.

Continuous Improvement of Service Delivery

- The Works Best Practices Program (WBPP) was designed to improve the efficiency of the operations at eight City wastewater treatment and water supply plants. The District Service Improvement (DSI) Program is underway to review best practices, technological upgrades and management of the City's linear water and wastewater infrastructure.
- Watermain and sewer replacement programs are co-ordinated with the Transportation Road and Reconstruction Program to save costs and minimize construction disruption to the public. Where appropriate, trenchless construction techniques are used during sewer rehabilitation projects to minimize the impact on adjacent homes and businesses while extending the useful life of infrastructure and postponing replacement.

2007 OPERATING BUDGET BY CATEGORY

Description of Category	(in \$000s)				
	2006 Budget \$	2006 Actuals \$	2007 Approved Budget	Change from 2006 Approved Budget	
				\$	%
Salaries & Benefits	135,065.7	123,029.8	138,774.0	3,708.3	3
Materials & Supplies	78,275.7	76,809.7	85,821.6	7,545.9	10
Equipment	4,925.2	3,724.6	4,299.6	(625.6)	-13
Services & Rents	49,002.9	51,000.6	59,829.0	10,826.1	22
Contributions & Transfers	273,607	270,937.4	298,824.1	25,216.6	9
Others (Includes IDCs)	69,573.6	67,874.6	60,673.0	(8,900.6)	-13
Total Gross Expenditures	610,450.6	593,376.7	648,221.3	37,770.7	6
Funded by					
Prov. & Fed. Grants and Subsidies	0.0	0.0	0.0	0.0	N/A
User Fees	610,450.6	599,788.9	648,221.3	37,770.7	6
Reserves / Reserve Funds	0.0	0.0	0.0	0.0	N/A
Other (Includes IDRs)	0.0	0.0	0.0	0.0	N/A
Total Non-tax Revenues	610,450.6	599,788.9	648,221.3	37,770.7	6
Net Budget	0.0	(6,412.2)	0.0	0.0	N/A
Approved Positions	1,628.2	1,628.5	1,634.5	6.0	0

TORONTO WATER

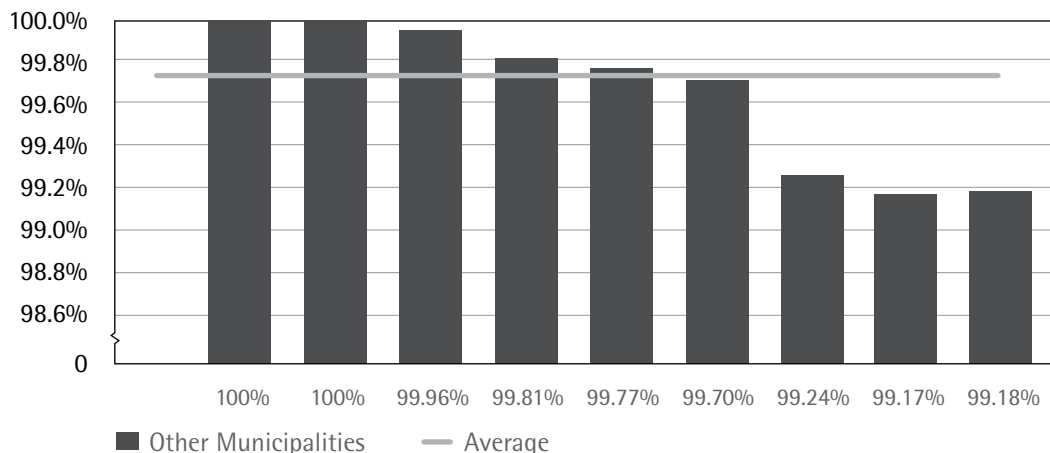
2007 OPERATING BUDGET BY SERVICE

Services	Approved Budget (\$000s)						Change over 2006			
	2005		2006		2007		Gross		Net	
	Gross	Net	Gross	Net	Gross	Net	\$	%	\$	%
Water Production	55,521.6	55,522	62,926	62,926	65,590	65,590	2,664	4.2	2,664	4.2
Wastewater Treatment	88,156.2	88,156	89,615	89,615	104,463	104,463	14,848	16.6	14,848	16.6
District Operations	110,751.9	110,752	106,099	106,099	110,589	110,589	4,489	4.2	4,489	4.2
Waster Infrastructure Management	3,667.6	3,668	5,637	5,637	6,673	6,673	1,036	18.4	1,036	18.4
Capital Financing	232,104.7	232,105	245,097	245,097	269,294	269,294	24,198	9.9	24,198	9.9
Business Unit Support	3,702.6	3,703	11,484	11,484	12,135	12,135	651	5.7	651	5.7
Operational Support	10,210.2	10,210	14,993	14,993	16,393	16,393	1,400	9.3	1,400	9.3
Program Support	70,367.2	70,367	74,600	74,600	63,085	63,085	(11,515)		(11,515)	
Revenue	-	(574,482)	-	(610,451)	-	(648,221)	-	N/A	(37,771)	6.2
Total Program Budget	574,482	-	610,451	-	648,221	-	37,771	6.2	-	N/A

KEY PERFORMANCE MEASURES

There are a number of key performance measures used by Toronto Water to ensure that customers receive efficient and effective service. Toronto Water actively participates in the provincial Municipal Performance Measurement Program (MPMP), Ontario Municipal CAO's Benchmarking Initiative (OMBI) and the National Water and Wastewater Benchmarking Initiatives with the purpose of enhancing accountability in the municipal sector, sharing best practices within and among municipalities, and increasing taxpayer awareness. The measurements are consistent with provincial and water industry standards. They demonstrate commitment to accountability, service excellence and good governance.

Figure 1 - Water "Customer Service" External Comparison
Percentage of Compliance with Drinking Standards



TORONTO WATER

Toronto Water considers provisions of the Ontario Drinking Water Protection Regulation and Ontario Drinking Water Standards as a minimum to be met, rather than a goal. Where feasible and desirable, the City's standards are more stringent than the regulation. As an example, the City's target for finished water turbidity, a measure of the cloudiness of water, is ten times lower than the current provincial standard.

Figure 2 - Water "Efficiency" Internal Comparison
Operating Costs for Treatment of Drinking Water per Megalitre

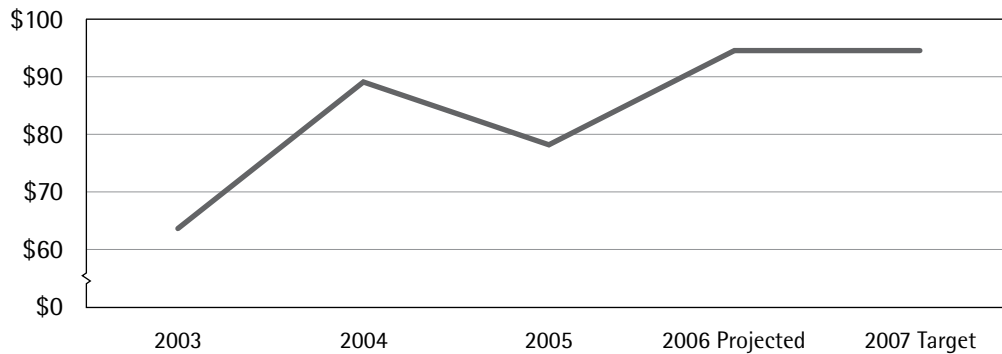


Figure 2 shows that the operating costs for treatment of drinking water per megalitre has decreased by 12.4% in 2005 as compared to 2004 mainly due to the 2004 "one-time" adjustment for overpayment of hydro rebates. In 2006 and 2007, the projected volume of water to be treated will decrease by 3% compared to 2005. However, the costs are expected to be slightly higher as the result of inflationary pressures.

Figure 3 - Water "Efficiency" Internal Comparison
Operating Costs for Distribution of Drinking Water per Kilometre of Water Distribution Pipe

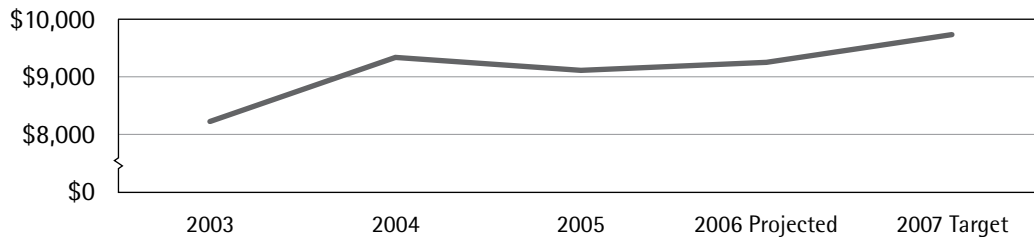
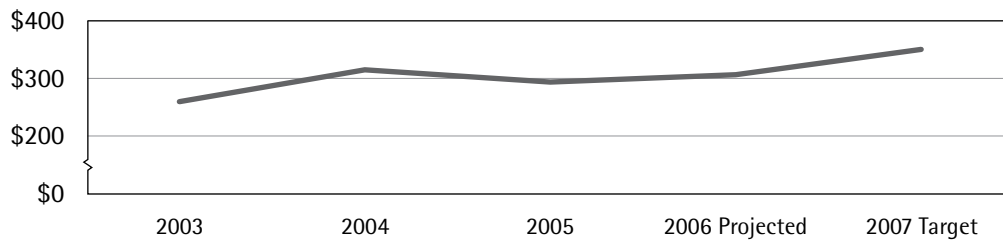


Figure 3 shows that the operating costs for distribution of drinking water per kilometer of water distribution pipe are projected to be slightly higher due to economic factors.

TORONTO WATER

Figure 4 – Water “Efficiency” Internal Comparison
 Operating Costs for Treatment and Distribution of Drinking Water per Megalitre



Operating cost for the treatment and distribution of drinking water per megalitre decreased by 6.9% in 2005. This increase is attributed to a 4.7% decrease in costs and an increase of 2.4% in flow. The 2006 projection and 2007 target are expected to increase as a result of inflationary pressures.

Figure 5 – Water “Efficiency” External Comparison
 2005 Operating Cost for Treatment of Drinking Water per Megalitre in Comparison with Other OMBI Municipalities

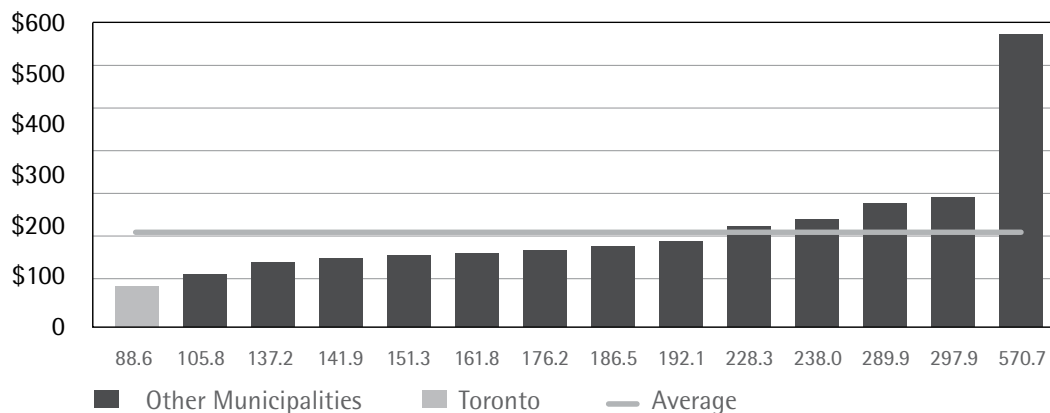
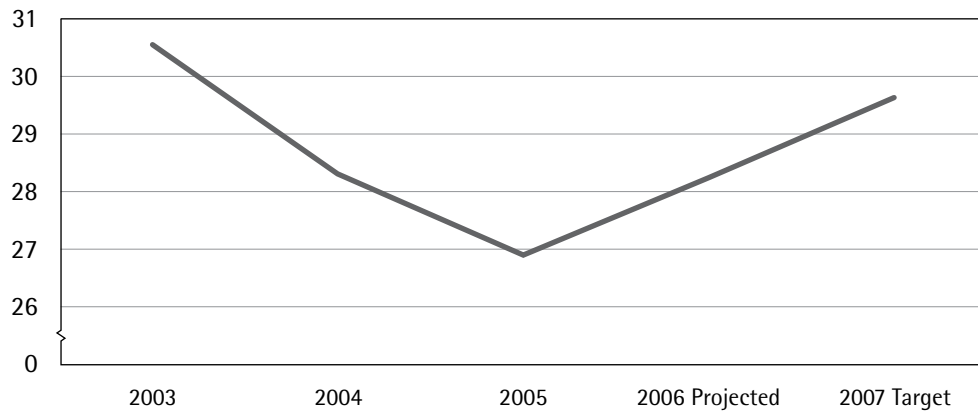


Figure 5 illustrates that Toronto has the lowest cost of water treatment of the OMBI municipalities in 2005 and is well below the average of \$212. The key factors contributing to the cost include the following:

- **Economies of Scale:** Toronto's water treatment plants are large and benefit from economies of scale.
- **Water Source:** above-ground water sources such as lakes and rivers tend to be less costly to use than groundwater sources. Toronto's source of drinking water is Lake Ontario.

TORONTO WATER

**Figure 6 – Water “Customer Service” Internal Comparison
Number of Watermain Breaks per 100km of Water Main Pipe in a Year**



The number of breaks in water mains per 100km of water main pipe has decreased by 5% compared to 2004. This decrease is attributable mainly to weather conditions. The number of breaks projected by year-end 2006 will remain relatively the same as 2004.

**Figure 7 – Water Customer Service External Comparison
Number of Watermain Breaks per 100km of Water Pipe in 2004 in
Comparison to Other OMBI Municipalities**

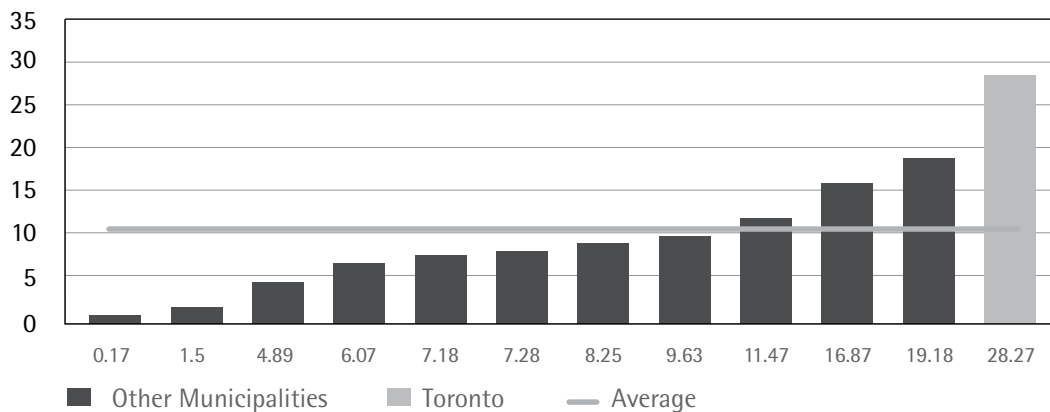


Figure 7 illustrates that Toronto has the highest rate of watermain breaks of the OMBI municipalities, well above the average of 10.0 breaks per 100km of watermain pipe. Toronto's rate is significantly higher due to the following factors:

- **Age of Infrastructure:** Toronto's system of watermains is old which can lead to a higher rate of watermain breaks than municipalities with newer infrastructure.
- **Urban Form:** stray currents from the large number of other co-located utilities as well as subway and streetcars, accelerate electrostatic pipe corrosion.
- **Type of Pipe Materials:** Toronto suburbs used ductile iron pipe and these are very susceptible to corrosion.

Although the Toronto rate is high, it is down slightly from the 2003 rate of 30.46 breaks per 100km.

TORONTO WATER

**Figure 8 - Wastewater "Efficiency" Internal Comparison
Cost of Flow Collected per Kilometre of Wastewater Main**

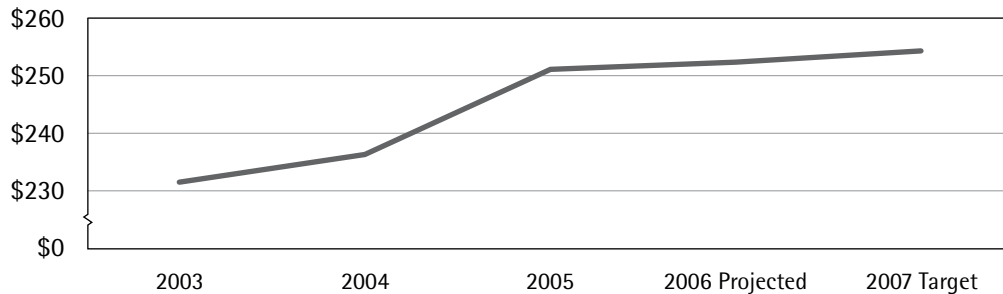


Figure 8 illustrates that operating costs for collection of wastewater per km of wastewater main has increased by 3.9% in 2005. This increase is attributed to general wage increases and other economic pressures that will continue in 2007.

2007 OPERATING BUDGET HIGHLIGHTS

- The pelletizer is expected to be operational in April of 2007 increasing the consumption of natural gas by \$1.882 million.
- Haulage of biosolids material costs is forecasted to increase as a result of the Carlton Farms Landfill Site not being able to accept biosolids as of August 1, 2006. Alternative sites had to be secured and the cost impact for 2007 will be approximately \$6.980 million.
- increased costs of \$3.466 million for cut repair work managed by Transportation Services for Water Services (This increase will be partially mitigated by a reduction of \$0.573 million in cut repair work for Wastewater Services. The net pressure is estimated at \$2.893 million for Toronto Water. The net cost increase reflects the escalated capital program which is primarily driven by state of good repair projects.)
- Toronto Water has committed funding of \$3.766 million for the Toronto and Region Conservation Authority's 2007 Operating Budget.
- All operating revenues received by Toronto Water are generated from user fees charged for water consumption and sewage treatment. There is no reliance on the property tax base to support Toronto Water's services. To fund the operating requirements and capital contribution, a water rate increase of 9% has been incorporated in the 2007 Operating Budget.

2008/2009 OPERATING BUDGET OUTLOOK

- The 2008 and 2009 Outlook maintains the 2007 level of service while managing the cost of living allowance (COLA) and merit/step increments for union and non-union staff.

TORONTO WATER

2007 CAPITAL BUDGET

2006 MAJOR ACCOMPLISHMENTS

- The program spent \$264.545 million or 67% of its 2006 Approved Capital Budget of \$394.468 million. This level of capital budget spending by Toronto Water represents a significant improvement of almost \$62.000 million or 30% compared to the 2005 spending rate of \$202.900 million.
- Fiscal 2006 saw significant construction proceeding on several large projects, which included the McNicoll Watermain Project, Residue Management Projects at R.C. Harris and R. L. Clark Water Treatment Plants and the Humber Wastewater Treatment Plant. These projects are on schedule and, in several cases, proceeding ahead of schedule. More than 80% of the watermain and sewer infrastructure program was tendered by mid-year.
- Multi-phased odour control projects were initiated in 2006 at three wastewater treatment facilities. The Ashbridges Bay Wastewater Treatment Plant has started the testing and designing of new odour control systems while odour assessment studies have been completed at the Humber and Highland Creek Wastewater Treatment Plants.
- provided assistance to approximately 2,300 homeowners to disconnect their downspouts from the sewer system

FIVE-YEAR STRATEGIC OBJECTIVE

The Five-Year Capital Plan aligns with the strategic direction of the Toronto Water Multi-Year Business Plan approved by Council in February of 2005.

2007 CAPITAL BUDGET HIGHLIGHTS

- continued partnership with York Region to increase capacity to keep pace with population growth to satisfy projected water demands (Projects include the Horgan Plant expansion and the McNicoll/Warden and Markham/Sheppard watermain construction.)
- A priority of the 2007 Toronto Water Capital Budget is to address renewal needs of ageing and deteriorating infrastructure. \$248.230 million or 72% of the total 2007 new funding of \$346.376 million is allocated to state of good repair projects. The \$248.230 million budgeted amount provides for such projects as the replacement of 34,700m of watermains, the cleaning and relining of 114,000m of watermains and the replacement of aging or obsolete process and electrical/mechanical equipment at the treatment facilities.
- Many of the projects included in the 2007 capital program require construction duration of several years with cash flows spread out over the period, such as the Avenue Road trunkmain replacement, downtown watermain enhancement, end-of-pipe facilities, district sewer rehabilitation operations and Waste Activated Sludge Thickening Treatment upgrades at Highland Creek Wastewater Treatment Plant.
- \$3.300 million to partially fund the Toronto and Region Conservation Authority's 2007 Capital Budget
- \$1.500 million has been allocated to fund the land acquisition for source water protection reserve account.

TORONTO WATER

FIVE-YEAR CAPITAL PLAN HIGHLIGHTS

- It is estimated that the Program will invest \$2,632.692 million (excluding 2006 carry-forward funding into 2006) over the next five-years to address the City's water and sewage infrastructure through rehabilitation, replacement and expansion.
- The Five-Year Capital Plan includes funding to complete environmental assessments followed by the design and construction for projects identified in the Wet Weather Flow Master Plan. Projects included in the Five-Year Capital Plan which directly affect improvements to waterfront quality include the following: Etobicoke Waterfront Storm Sewer Discharges; Bonar Creek Stormwater Wetland (Etobicoke Waterfront); Don and Waterfront Trunk Sanitary Sewer and Combined Sewer Overflow Control Project; Coatsworth Cut Storm Sewer and Combined Sewer Overflow Control Project; Eastern Beaches Storm Sewer Discharges; and the Scarborough Waterfront Combined Sewer Overflow Discharges.
- Many of the projects noted above, reflect collaborative efforts between Toronto Water; Parks, Forestry and Recreation; Facilities and Real Estate; City Planning; Buildings Services; Toronto and Region Conservation Authority; and the Waterfront Secretariat.
- A large proportion of state of good repair projects included in the Five-Year Capital Plan are directed towards reducing the backlog of projects for the watermain and sewer network.
- continuation of the City's water efficiency and water loss reduction initiatives (The aim of the program is to reduce 15% of water usage by 2011.)

2007 APPROVED CAPITAL BUDGET

Project Description	2007 Cash Flow and Future Year Commitments (\$000s)					
	2007	2008	2009	2010	2011	Total
Total Previously Approved	280,275	152,516	87,836	45,756	9,627	576,010
Total New Projects	129,726	73,883	40,692	42,795	44,254	331,350
Total Toronto Water	410,001	226,399	128,528	88,551	53,881	907,360

INCREMENTAL OPERATING IMPACT OF THE 2007 CAPITAL BUDGET

The 2007 Capital Budget includes operating impacts from previously approved and new/change in scope capital projects for 2007 of \$3.270 million and \$0.153 million in 2008.

TORONTO WATER

ASSET INVENTORY

Water Services

- 4 water filtration plants
- 10 reservoirs and 4 elevated storage tanks
- 5,015km of distribution watermains and 510km of trunk watermains
- 52,900 valves and 40,460 hydrants
- 470,202 water service connections, plus York Region (population served 400,000)
- 18 water pumping stations
- 1 water laboratory
- 9 maintenance yards

Wastewater Services

- 4 wastewater treatment plants
- 5 storage and detention tanks
- 4,397km of sanitary, 1,301km of combined and 358km of trunk sewer
- 4,305km of storm sewers and 546km of roadside ditches
- 120,000 maintenance holes
- 463,300 sewer service connections
- 82 wastewater pumping stations
- 371km of watercourses, 43 stormwater management ponds serviced and 3 facilities
- 1 wastewater laboratory
- 8 maintenance yards
- 2,300 outfalls and 122,500 catchbasins

Backlog Analysis

- The program currently has a significant infrastructure and renewal backlog. For example, over 50% of the water network is at least 50-years-old and 8% is 100-years-old. Furthermore, 30% of the wastewater collection system is at least 50-years-old and 3% is over 100-years-old. As outlined above, significant resources have been allocated to state of good repair projects in the Five-Year Capital Plan.
- Over the last five years, Toronto Water has an average and annual replacement rate of 0.71% of watermains and 0.37% of sewers. As the optimal replacement rate should range from 1% to 2% per annum, this is creating a significant renewal backlog. The Five-Year Capital Plan reflects an increase in the replacement rate to achieve the optimal level in approximately ten years and mitigate most of the backlog.

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CITY OF TORONTO

2007
Budget Summary

Appendix



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APPENDIX

GLOSSARY OF TERMS – OPERATING

ACTIVITY

An activity is an individual function that is identifiable and measurable; supporting the delivery of internal or external services. A grouping of activities comprises a service.

AGENCY

An agency is an organization associated with the City, but operating at arm's-length. An Agency often operates under an independent body of Directors. An agency is referred to in the acronym ABC – Agencies, Boards and Commissions.

APPROVED POSITION

An Approved Position is equivalent to a single permanent position regardless of whether it is full-time or part-time.

APPROVED POSITION YEAR

An Approved Person Year is an equivalent for a temporary, seasonal, casual or trade position that is calculated in one of three ways:

1. A single 35 hour per week position
2. A single 40 hour per week position, or
3. A combination of part-time positions (less than 35 hours per week) equating to 1820 hours per year (35 hours per week x 52 weeks), or 2080 hours per year for positions less than 40 hours per week (40 hours per week by 52 weeks).

BENCHMARKING

An exercise whereby one organization's results are compared to those of another comparable organization providing the same or similar services based on similar methods of accounting for costs.

BUDGET

The financial, operating and management plan for the City that establishes annual appropriations in accordance with the Municipal Act.

BUDGET COMMITTEE

A committee formed by the City Council of appointed Councillors that plays a key role in coordinating the budget process and submitting a final budget to Council for its consideration. The committee also monitors any variances that might occur in the budget throughout the year. The Budget Committee is a sub-committee of the Executive Committee.

CAPITAL BUDGET

A multi-year program adopted by Council comprising of an approved capital program for the current year and a planned program for the succeeding four years. The multi-year plan covers longer term and one-time expenditures for fixed assets that are more than fifty thousand dollars. It also entails the assumption of debt by the Corporation.

CAPITAL FINANCING

Represents the portion of the operating budget required to service the debt assumed by the City from capital expenditures of the current and previous years. Composed of Capital from Current expenditures and debt charges.

CAPITAL FROM CURRENT (CFC)

Funding allocated from the current (operating) budget to support the capital budget program.

CLERICAL/TECHNICAL/PROFESSIONAL POSITION

A clerical/technical/professional position is an Approved Position, which is generally affiliated with Local 79. A clerical/technical/professional position may be either Full-time or Part-time in status.

COMMUNITY IMPACT MEASURE

A measure of the public benefit derived from a service, or the impact on a community of providing the particular service. It is the stated program outcome measure which measures the effect on the community for which the service was provided.

COMPLEMENT

The number of permanent positions plus funding for temporary, seasonal, casual and/or trade positions, all expressed in Approved Positions that are required to provide the approved level of service for a particular program or agency of the City.

COMPLEMENT MANAGEMENT

Complement Management is the administration of the range of positions, people and structures related to the City as an organization in adherence to its established business processes and operational needs.

CUSTOMER SERVICE QUALITY MEASURE

A measure of customer satisfaction with the service that they receive relative to their needs and expectations.

DEBT

The amount of all obligations for the payment of interest and principal due by certain agreements and by-laws as incurred by the City of Toronto such as debentures, promissory notes, leases, letters of credit and other financial commitments and guarantees.

DEBT CHARGES

The principal and interest payments necessary to retire outstanding debt arising from capital expenditures.

EFFICIENCY MEASURES

The ratio between the amount of service or product delivered and the amount of input, either in terms of cost or resource use. Efficiency is often expressed in terms of gross cost or output per unit of service or output per employee.

EFFECTIVENESS/CUSTOMER SERVICE MEASURES

A measure of whether and how well goals and objectives are being achieved in terms of achieving the intended community service objective, delivery of quality service through key result areas such as productivity, timeliness, resource utilization, compliance with standards, and customer satisfaction levels.

EXEMPT PROFESSIONAL & CLERICAL POSITION

Any position which is not affiliated with a union and acts as an individual contributor but does not have direct reports.

EXPENDITURE CATEGORY (COST ELEMENT) GROUP

Expenditure Categories, now called Cost Element Groups in the SAP environment are the high level categories of expenditure and revenue as seen on the budget templates. They are Salaries & Benefits, Materials & Supplies, Equipment, Services and Rents, Contributions and Transfers, Interdepartmental Charges and Other on the Expenditure side. On the Revenue side they are Grants from Others, Interdepartmental recoveries, User Fees and Other.

FISCAL YEAR

The period for which budgets are prepared and financial records are maintained. The fiscal year for the City is the calendar year (January 1st to December 31st).

FULL TIME POSITION

A full time position is a position approved as part of the organizational structure for a particular service or program working 35 or 40 hours per week for the full year.

GAPPING

Gapping represents the amount of potential reduction in the requirement for salary dollars as a result of (a) vacancies not intended to be filled for a full or part year (known gapping) and (b) unplanned or unanticipated turnover (unknown gapping).

GOALS

Goals specify where the organization desires to be in the future within the scope of the stated key business service as it relates to the program's mission. Goals provide a framework for the identification of specific, well-defined objectives to be accomplished within specific time frames. Goals are to be pursued over time. The goals that a program develops should be in support of the key business services and help establish the program's direction. These goals provide a unifying theme for activities. Each goal should have at least one objective.

HEAD COUNT

The total number of staff individuals employed by a unit at a particular time, regardless of the nature of their employment: full-time, part-time, seasonal or casual/trades. Currently, the City is using the terminology 'Approved Position'.

HOURLY/OPERATIONS

A position which is either paid on an hourly basis or works directly in operations (maintenance, waste collection, etc.). These positions are often associated with Local 416.

KEY BUSINESS SERVICES

These are the fundamental services critical to the program's mandate and success. Performance of these services in an exemplary manner will result in the program achieving its mission.

KEY CUSTOMERS

Key Customers are the direct beneficiaries of the service or product provided by a particular program or agency. Key customers may be clients or customer groups, either inside or outside the City, including members of the public or other external entities.

OBJECTIVES

Objectives are linked directly to program goals and are specified, quantified, time-based statements of accomplishments or outcomes which should clearly state the specific results the program seeks to accomplish. The development of objectives aids decision making and accountability by focusing on issues and the accomplishment of outcomes and sets the direction for strategies. A program may have multiple objectives under a single goal. The target indicated for each objective should focus on 2006 budgeted results. Example of an objective – develop and implement a cross-shelter case management plan for homeless clients that tracks their visits to all Toronto shelters in a given year by end of fiscal 2007.

OPERATING BUDGET

The financial, operating and management plan for the City that establishes annual appropriations in accordance with the Municipal Act for a short term, (e.g. a fiscal year).

OPERATING IMPACT OF CAPITAL

The Operating Budget impact of Capital projects is the changes in operating expenditure and/or revenue, which is projected to occur during the course of a Capital Project and/or when a Capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

OTHER REVENUE

Represents all revenues other than property tax levy, provincial grants, interdepartmental recoveries and prior year's surplus. Other Revenue is made up of user fees, fines, interest earnings, and revenues from other governments excluding the Province, and revenues from any other source.

OUTLOOK

The Outlook is the anticipated financial plan for the following fiscal year, based on Council approved decisions.

OUTPUT MEASURE

These measure the number of units of a service or product produced. An example is the tons of curbside waste recycled or cubic metres of water pumped at Pumping Station X.

PART TIME POSITION

A part time position is a position approved as part of the organizational structure for a particular service or program working less than 35/40 hours per week.

PERFORMANCE MEASURES

Performance measures seek to express, usually in quantifiable terms, how well a program is discharging its responsibilities. These measures may be applied to the service as a whole, or to the activities involved.

PROGRAM

A division of a cluster or an Agency, Board or Commission, which constitutes a service delivery unit and may encompass one or more related municipal services (e.g. the Solid Waste Management program includes a number of services and is a division of Citizen Focused Services 'B') and satisfies the following:

- aimed at one or more target groups (e.g. households);
- has program goals defined in social terms with outcomes of public good (e.g. public health); and
- is either mission-driven, (e.g. recreation, or mandate-driven, law-enforcement).

PROGRAM MAP

A program map provides a visual summary of how the various functional levels – program > service > activity – of program operations are categorized and relate to each other.

PROJECTED ACTUALS

Refers to the expected, or anticipated, outcome of the year's expenditure and revenue activities. A recommended approach for departments is to combine year to date actuals at a specific date, plus the balance of the calendarized Council-approved current fiscal year budget. Departments can adjust and update the projected actuals as they see fit. The Projected Actuals are often compared with the current year budget to determine variances.

RESERVE/RESERVE FUNDS

Reserves and reserve funds have designated purposes and are created through the specific authorizations of Council. All earnings from the investment of reserve funds must form part of the reserve fund, whereas the earnings from reserves flow to the operating budget. The assets of reserve funds are segregated and restricted to the purpose of the reserve funds.

REVENUE

Income received by an organization for the fiscal year. In the City of Toronto revenue includes tax payments, service (user) fees, transfers from other governments, fines, interest income, etc.

SERVICE

A series of activities that deliver the things your customer is expecting, or fulfills the requirements of other stakeholders. The Service level has, since amalgamation, been the approval level for the City's program budgets. When defining and quantifying cost per unit measures for services, programs should give consideration to more meaningful interpretations of service—for example, in the Transportation Program, the cost per unit of winter maintenance is more informative than cost per unit of Roadway Services.

SERVICE LEVEL INDICATORS

Service Level Indicators express the level and the standard of service provided to key customers or customer groups. Service level indicators may reflect an agreed standard of service (e.g. processing time), a quantitative level of resources or the frequency of service provided (e.g. hectares of parkland per capita), or the supply of service as a percentage of need (e.g. number of subsidized day care spaces provided as a percentage of the number of children in low income families).

STRENGTH

The number of actual filled staff positions at a specific point in time, whether permanent, seasonal or casual expressed as approved position years.

STUDENT/RECREATION WORKER

A student or recreation worker is one who is employed on a temporary, seasonal or casual basis.

TAX RATE

A rate used to determine the amount of property tax payable. Taxes on individual properties are calculated by multiplying a property's current value assessment (CVA) by the applicable tax rate.

TOTAL GROSS EXPENDITURES

Includes all expenditures properly incurred by the program area and charged to the program area's budget.

TOTAL REVENUES

Includes all program-generated revenues (e.g. User Fees), subsidies and grants, internal recoveries and internal financing (e.g. funding from reserves).

UNITS OF SERVICE

Reflects the measurable components of each service deliverable, which illustrates how much service is being provided. These can be identified both in terms of costs and volumes.

USER FEES

Includes all program-generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various city permits).

VARIANCES

Programs/agencies are expected to clearly detail all assumptions with respect to year-over-year changes, which are greater than \$250,000 or 5 per cent of total gross expenditures. Rationale provided should be based on changes in service levels, objectives or funding requirements.

The requirement for all expenditures to be fully justified each year without reference to the prior year budget level. All office furniture and consultants are zero based and must be fully supported and justified by an operating budget case and supporting detailed listing.

GLOSSARY OF TERMS – CAPITAL

CASH FLOW CARRY FORWARDS

The projected year-end unspent amount of Council approved previous year cash flow that is necessary to carry forward, in full or part, to complete the capital sub-project/project in the subsequent budget year. Refer to Capital Budget Policy FS-FP-003 in the Capital Policy Section of this manual for details.

CAPITAL FROM CURRENT (CFC)

Funds allocated from the current Operating Budget for the funding of capital projects in the Capital Budget.

CAPITAL PROGRAM

A multi-year plan adopted by Council for long term capital investments in assets and entails the financing of such long term expenditures with capital assessment and assumption of appropriate funding sources. This program lets Council determine long term expenditure priorities, and enables the City to plan long term debt requirements. The capital program should be linked to individual Program Business Plan.

CAPITAL PROJECT

Expenditure for major rehabilitation, replacement and/or expansion of existing assets and infrastructure, and acquisition or creation of new assets. A capital project is a one-time activity with a well-defined set of desired outcomes or end results. It must bring benefit to the organization for one year or longer, the decision usually cannot be changed, and investments are over \$50K. A capital project can be divided into capital sub-projects or sub-tasks that must be performed in order to achieve the desired result. Capital Projects are classified according to the following five categories listed in the order of importance – Health and Safety, Legislated/City Policy, State of Good Repair, Service Improvement and Enhancement, and Growth Related.

CAPITAL SUB-PROJECT

Subset or logical components/stages of a major capital project. Individual sub-projects could vary depending on the nature of the project. Examples:

- A Park Improvement project could have sub-projects showing individual parks at which the improvement work will be undertaken.
- Main Treatment Plant Upgrade project could have sub-projects showing different stages of the treatment plant process being upgraded such as Primary Treatment, Secondary Treatment, etc.

COMMITMENTS

The following 2 examples illustrate the definition of a capital budget commitment: (i) any capital project approved by Council in the current year which results in current and/or future year cash flow requirements needed to complete the project; (ii) cash flow carry forward estimates that are based on known liabilities, with a liability defined as an obligation for goods or services received and may be recorded as an accrual at year-end.

DEBT FINANCING

The amount of capital project gross cost that is to be financed with long-term debentures. This is the net amount determined after all other financing sources including GST refunds are considered.

ENCUMBRANCE

Upon approval of projects/sub-projects, programs can begin the RFP process to determine the vendor that will provide goods/services required. Once the vendor's bid is approved, it becomes a legally binding contract hence the value of the bid is an encumbrance and considered spent.

ESTIMATED USEFUL LIFE

This is an estimation of the time period, usually expressed in years, that the capital asset (project) brings benefit to the organization or a community. This may apply to new sub-project/projects or an addition, alteration or improvement of an existing capital asset.

EXTERNAL FINANCING

Financing from sources external to the City of Toronto (such as provincial or federal subsidy, Corporate Sponsorships, etc.). In addition it includes debt financing as well (see Debt Financing definition).

FUTURE YEAR COMMITMENTS

Future year commitments represent the cash flow required beyond the current year of the Approved Capital Budget. Council approves the current year Budget or spending authority; commits to future year cash flow required to complete the project and authorizes the project cost (sum of current funding approval plus future year(s) commitment).

GROWTH RELATED

A capital project is categorized as growth related if it supports growth and development across the City. Potential development charge revenues could apply to, and be identified for these projects.

HEALTH AND SAFETY

A capital project is categorized as health and safety if there is an urgent requirement for repairs due to demonstrated concerns for a health and safety hazard.

INTERNAL FINANCING

Financing from sources internal to the division or program submitting a capital project including reserve funds, development charges, and other program generated revenues.

LEGISLATED OR CITY POLICY

Capital Expenditures required by provincial or federal legislation or compliance with City Policy (i.e., environmental initiatives). In the capital project justification section of each business case, the specific legislative or City Council reference will be provided as well as the action required to meet the requirements and timeframe.

PRIORITY

A priority shows how important a project is to the program in achieving the program's objectives for the planning period. Prioritization may differ from ranking such that any two projects cannot have the same priority preference number though they may have an equal ranking. Priority shows which projects the program would prefer over the others if not all projects were allowed for approval. Priorities also show the areas of focus and the strategic direction in which the program is heading. Prioritization should be consistent with the mission and goals of the program and any deficient areas that need to be addressed during the budget period. Priority numbers should only consist of integers other than zero. Assignments like 0, 1A, 1B, 1.5, 1.75 are not valid priority numbers.

RANKING

Ranking is an evaluation of a project based on certain criteria. This year it also incorporates and quantifies five Capital Project Categories, (i.e., Health and Safety, Legislated/City Policy, State of Good Repair, Service Improvement and Enhancement and Growth Related).

Each criteria must be assigned a weight from the given range/points. The system would then automatically calculate the overall weight of the project. Care should be taken while inputting weight's as there is a lot of subjectivity involved.

Every weight entered or point assigned must be backed by sound reasoning and where possible, supported by working papers. Additionally, a sensitivity analysis could be performed in order to identify the extra efforts/resources that would be required in order to make the project a higher ranked one without ignoring the relevant economic and social costs associated with the increased ranking. (This will be helpful in case an audit is performed to investigate the basis used to rank a particular project at any point of time. This kind of detailed approach would also be immensely helpful in situations where there is a change in the nature/scope of the project or if the project is being affected in any way by other projects going on along side. Ranking based on logical reasoning and solid groundwork helps establish standards for future project appraisals. It is possible that more than one project have the same ranking though they may/may not differ in their individual criteria ratings.)

REPLACEMENT COST

Is the cost of replacing the original asset on the basis of current prices (cost). It is not related to the original asset cost.

SERVICE IMPROVEMENT AND ENHANCEMENT

A capital project is categorized as service improvement and enhancement if it improves service delivery above the current Council-approved standard or provides for the introduction of new services.

STATE OF GOOD REPAIR

A capital project that allows for the maintenance, repair or replacement of existing assets. This includes asset rehabilitation that extends the useful life of the asset by 10 or more years before replacement is necessary. Asset replacement should be considered, if rehabilitation is not feasible and delayed replacement could result in potential safety hazards. Asset rehabilitation required to meet health and safety issues should be categorized as "Health and Safety".

STATUS

The sub-projects/projects are classified into six types:

1. Prior Year – (No 2007 and/or Future Year Cost/Cash flow)
This pertains to a sub-project/project that was previously approved, is completed, and has no cost/cash flow requested for the year 2008 and/or future years.
2. Prior Year – (With 2007 and/or Future Year Cash flow)
This pertains to a sub-project/project that was previously approved and has a year 2007 and/or future year cash flow but no 2007 and/or future year cost.
3. Prior Year – Change of Scope (2007 and/or Future Year Cost/Cash flow)
This pertains to a sub-project/project that was previously approved, but there are changes in cost or the nature of the project requested in the year 2007 and/or future year commitments. Project must be revisited if there is a change in scope. Budget only the incremental change.
4. New – Stand-alone Project (Current Year Only)
This pertains to a new sub-project/project, which is discrete/stand-alone, in the year 2008.
5. New – On-going or Phased Project
This pertains to a new sub-project/project that is on-going in nature or has distinct phases. Approval in 2004 does not necessarily result in a future year commitment, but must be reassessed each year relative to current priorities and/or service standards.
6. New – Future Year (Commencing in 2009 & Beyond)
This pertains to any new (future year) sub-project/project planned beyond the current year time frame.

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