

2006 Operating Budget Overview

Presentation to Planning & Transportation Committee

January 9, 2006

Council Approved 3 Year Operating Budget Targets

- 2006 2% Base Budget Net Expenditure Increase - 40% of City Programs and majority of ABCs did not meet target:
 - City Programs - further reductions would require service and / or service level cuts
 - Major ABCs (TTC, Police) have been directed to provide options to achieve targets
 - Non-Program increase mainly due to uncontrollable one-time revenues in 2005
- 2007 and 2008 - 0% increase over 2006
- Achieving Targets Require:
 - Base reviews, efficiencies / continuous improvement and service rationalization
 - User fee increases based on full service cost recovery and inflationary increases
 - Service realignment to fund any new spending on Council's Highest Priorities

Starting 2006 Operating Pressure Total \$759 Million

\$Millions

| | |
|---------------------------------|-----|
| 2005 One-time Funding Pressures | 439 |
|---------------------------------|-----|

2006 Operating Impacts:

| | | |
|---|-----|-----|
| - Debt Service Cost | 44 | |
| - Cost of Living Allowance | 90 | |
| - Inflation on Materials, Supplies and Services | 81 | |
| - Annualizations and Other | 105 | 320 |

| | |
|------------------------|-----|
| Starting 2006 Pressure | 759 |
|------------------------|-----|

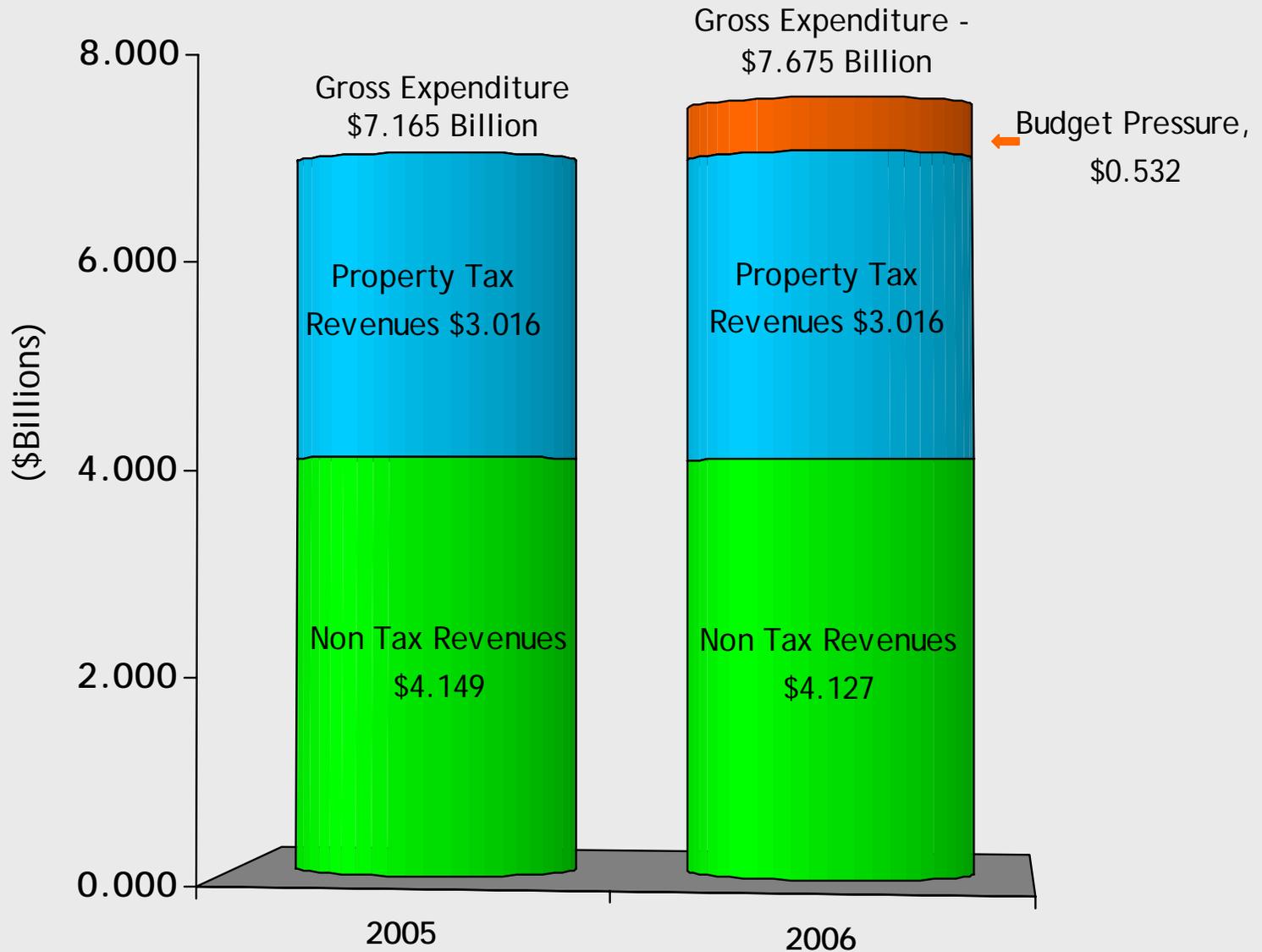
Administrative Review Reduced 2006 Operating Pressure to \$532 Million

\$Millions

| | |
|--|-------|
| Starting Pressure | 759 |
| <hr/> | |
| Adjustments | |
| • Hydro Interest | (67) |
| • Hydro Dividends | (25) |
| • Gas Tax Revenues | (92) |
| | <hr/> |
| | 575 |
| Administrative Review - Service Efficiencies & Adjustments | (43) |
| | <hr/> |
| Remaining 2006 Pressure | 532 |
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2006 Proposed Gross Operating Budget

2006 Operating Budget Overview



Planning & Transportation Committee

Citizen Centred Services 'B'

- City Planning
- Building
- Municipal Licensing & Standards
- Business Support Services
- Waterfront Secretariat
- Clean and Beautiful City Secretariat

Community Partnership and Investment Program

- Planning & Transportation program envelopes

Planning and Transportation Committee

| (\$000's) | 2005 Approved Budget | 2006 Proposed Base Budget | Change from 2005 Approved Budget - Net | |
|--|----------------------------|---------------------------------|---|-------------|
| | | | \$ | % |
| <u>Planning and Transportation</u> | | | | |
| City Planning | 13,308.4 | 12,671.3 | (637.1) | (4.8%) |
| Building | (11,607.4) | (11,375.7) | 231.7 | (2.0%) |
| Municipal Licensing & Standards | 4,486.3 | 5,061.2 | 574.9 | 12.8% |
| Business Support Services | 9,100.7 | 9,282.8 | 182.1 | 2.0% |
| Waterfront Secretariat | 709.5 | 723.8 | 14.3 | 2.0% |
| Clean and Beautiful City Secretariat | 326.5 | 197.0 | (129.5) | (39.7%) |
| Community Partnership and Investment Program | 309.3 | 309.3 | 0.0 | 0.0% |
| Total | 16,633.4 | 16,869.7 | 236.4 | 1.4% |

Operating Budget Schedule

- Budget Launch January 4
- Standing Committee Reviews January
- Budget Advisory Committee and Policy & Finance Committee Reviews January / February
- Council Review & Approval March 27 - 31