

2006 Operating Budget Overview

Presentation to Works Committee

January 11, 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
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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
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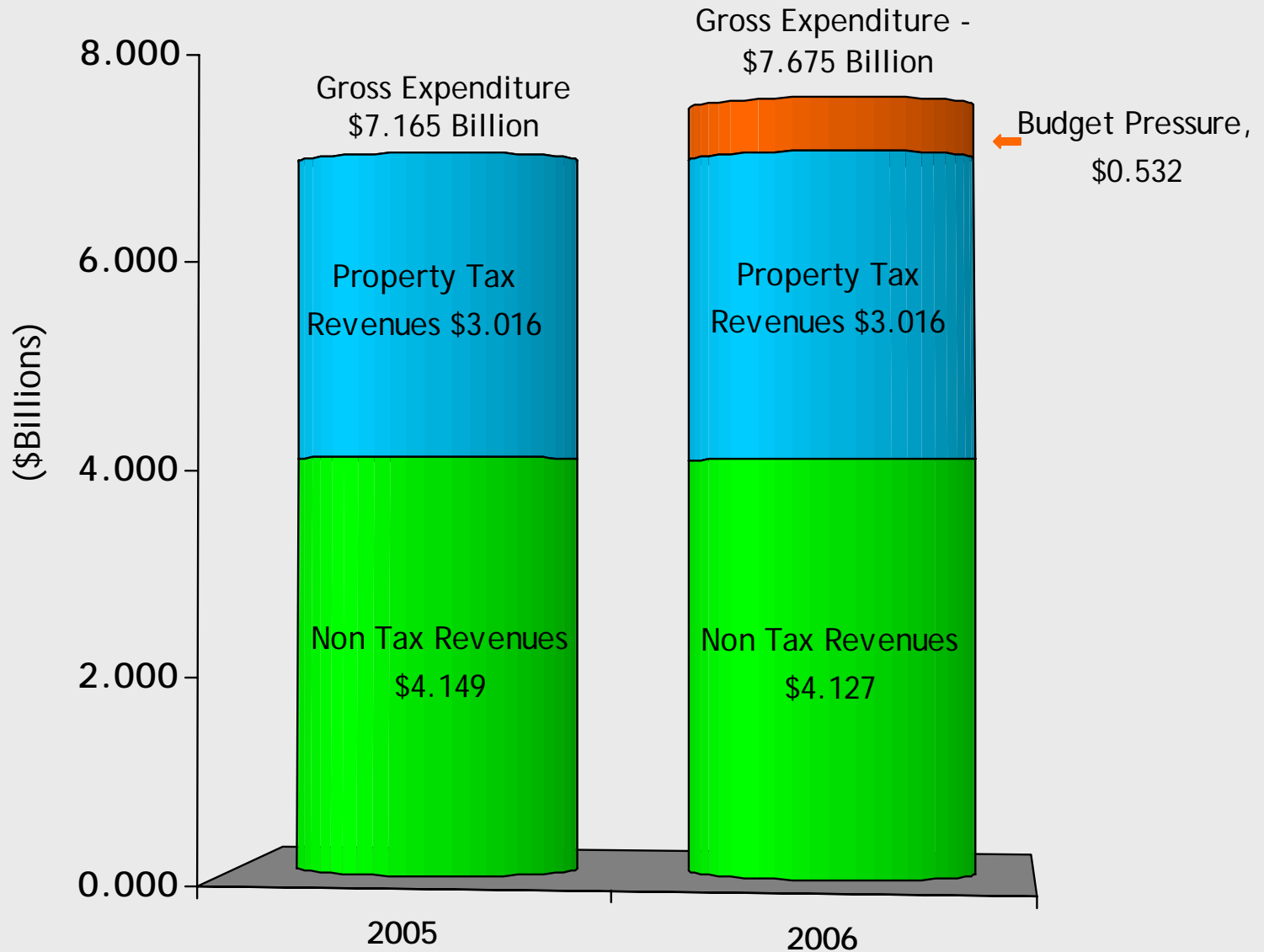
Administrative Review Reduced 2006 Operating Pressure to \$532 Million

\$Millions

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

2006 Operating Budget Overview



Works Committee

Citizen Centred Services 'B'

- Solid Waste Management Services
- Transportation Services
- WES - Technical Services

Works Committee

(\$000's)	2005 Approved Budget	2006 Proposed Base Budget	Change from 2005 Approved Budget - Net	
			\$	%
<u>Works Committee</u>				
Solid Waste Management Services	165,288.3	173,655.6	8,367.2	5.1%
Transportation Services	183,733.0	189,629.0	5,896.0	3.2%
WES - Technical Services	4,386.1	5,901.6	1,515.5	34.6%
Total	353,407.3	369,186.1	15,778.7	4.5%

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