

# Analyst Briefing Notes

## Planning and Transportation Committee (January 9, 2006)

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**PART I: 2006 Operating Budget Overview**

**Table 1: 2006 Proposed Budget**

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	326.5	326.5	197.0	0.0	197.0	(129.5)	(39.7)	0.0	0.0
<b>REVENUE</b>	0.0	0.0	0.0	0.0	0.0	0.0	N/A	0.0	0.0
<b>NET EXP.</b>	326.5	326.5	197.0	0.0	197.0	(129.5)	(39.7)	0.0	0.0
<b>Approved Positions</b>	3.0	3.0	2.0	0.0	2.0	(1.0)	(33.3)	0.0	0.0
<b>TARGET</b>			<b>333.0</b>						
<b>\$ Over / (Under) Program Target</b>			<b>(136.0)</b>						
<b>% Over / (Under) Program Target</b>			<b>-40.8%</b>						

**Executive Summary**

- The 2005 projected year-end net expenditure of \$326,500 is at the 2005 Approved Budget.
- The 2006 Proposed Operating Budget for the Clean and Beautiful City Secretariat of \$197,000 net is 100% base budget funding and is 39.7% lower than the 2005 Approved Budget. There are no future year impacts in 2007 and 2008.
- The 2006 Proposed Base Budget is \$136,000 or 40.8% under the 2006 target due to reversal of the one-time only Neighbourhood Beautification Project in 2005 which totalled \$186,900 for 1 position for 9 months and program costs to award \$1,500 to each of the 44 wards for 1 beautification project.
- The 2006 target of \$333,000 was calculated based on a 2% increase over the 2005 Approved Operating Budget. By adjusting the Target to reflect the one-time only expenditures in 2005, the adjusted 2006 target would be \$142,392, and the 2006 Proposed Base Budget is \$54,608 or 38.4% over the adjusted target.
- The 2006 Requested Base Budget includes the full year funding of \$263,700 to continue the Neighbourhood Beautification Project in 2006. The Proposed Base Budget defers this request for consideration pending a report from the Deputy City Manager responsible for Clean and Beautiful City Secretariat on how this project can be accommodated within the overall Clean and Beautiful City Initiative resources being proposed for 2006.

- Key cost drivers include the annualization of salaries, benefits and office costs and the Cost of Living Adjustments (COLA) to deliver the base budget services, which include:
  - the coordination, positioning and operation of City Programs involved in the Clean and Beautiful City Initiative throughout City;
  - support for the Roundtable on a Beautiful City;
  - the identification of new partners in the public, business communities, institutions and the City's Agencies, Boards, and Commissions.

**Recommendations**

It is recommended that:

- (1) the Clean and Beautiful City Secretariat 2006 Proposed Operating Budget of \$0.197 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000's)</u>	Net <u>(\$000's)</u>
Clean and Beautiful City Secretariat	<u>197.0</u>	<u>197.0</u>
Total Program Budget	<u><u>197.0</u></u>	<u><u>197.0</u></u>

- (2) the Deputy City Manager responsible for the Clean and Beautiful City Secretariat:
- a) report to the Budget Advisory Committee during the 2006 Operating Budget Process on how the request for the continuation of the Neighbourhood Beautification Project in 2006 can be accommodated within the overall Clean and Beautiful City Initiative resources being proposed for 2006; and
  - b) report to the Budget Advisory Committee prior to the 2007 Operating Budget Process on the status and budget implications of the Clean and Beautiful City Secretariat for 2007.

## PART II: BASE BUDGET

### Section A: 2005 Budget Variance Analysis

**Table 2: 2005 Budget Variance Review**

	2004 Actuals	2005 Approved Budget	2005 Projected Actuals *	2005 Approved vs Projected Actuals Variance Over / (Under)	
(In \$000s)	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	N/A	326.5	326.5	0.0	0.0
<b>REVENUES</b>	N/A	0.0	0.0	0.0	N/A
<b>NET EXP.</b>	N/A	326.5	326.5	0.0	0.0
<b>Approved Positions</b>	N/A	3.0	3.0	0.0	0.0

\*Projected Actual expenditures to year-end based on Revised 3<sup>rd</sup> Quarter Variance Report

### 2005 Experience

- The 3<sup>rd</sup> quarter projection to year-end is \$326,500 net, which is on target to meet the 2005 Approved Operating Budget.
- The Clean and Beautiful City Secretariat was approved as one of the new funding initiatives in 2005 as part of City Council's Clean and Beautiful City Initiative 3-Year Plan and was established to identify and coordinate Clean and Beautiful City initiatives, to support the Roundtable on a Beautiful City, to create new partnerships with citizens, business communities and others, and to deliver the 2005 Neighbourhood Beautification Project.
- Funding for the Neighbourhood Beautification Project within the Secretariat's 2005 Approved Budget was approved as a one-time only expenditure.

### Impact of 2005 Operating Variance on 2006 Proposed Budget

The Neighbourhood Beautification Project was funded on a one-time only basis in 2005 and its associated expenditure should be reversed from the base budget in 2006. A request to continue it in 2006 puts the full year funding pressure of \$263,700 back into the Budget for 2006.

**Section B: 2006 Proposed Base Budget**

**Table 3: 2006 Proposed Base Budget**

	2005 Approved Budget	2006 Requested Base	2006 Proposed Base	Change		FY Incremental Outlook	
				2006 Proposed Base v. 2005 Approved Budget		2007	2008
(In \$000s)	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	326.5	460.7	197.0	(129.5)	(39.7)	0.0	0.0
<b>REVENUE</b>	0.0	0.0	0.0	0.0	NA	0.0	0.0
<b>NET EXP.</b>	326.5	460.7	197.0	(129.5)	(39.7)	0.0	0.0
<b>Approved Positions</b>	3.0	3.0	2.0	(1.0)	(33.3)	0.0	0.0
<b>NET TARGET</b>		<b>333.0</b>					
<b>\$ Over / (Under) Program Target</b>		<b>(136.0)</b>					
<b>% Over / (Under) Program Target</b>		<b>-40.8%</b>					

**2006 Proposed Base Budget**

- The 2006 Proposed Base Budget of \$197,000 net represents a 39.7% decrease from the Clean and Beautiful City Secretariat’s 2005 Approved Budget.
- The Clean and Beautiful City Secretariat’s 2006 Proposed Base Budget is \$136,000 or 40.8% below its target of \$333,000, which is primarily the result of the reversal of one-time only funded Neighbourhood Beautification Project in 2005.
- The 2006 Program Target of \$333,000 was calculated based on a 2% increase over the 2005 Approved Operating Budget. By adjusting the target to reflect the one-time only expenditures in 2005, the adjusted 2006 Program Target would be \$142,392, and the 2006 Proposed Base Budget is \$54,608 or 38.4% over the adjusted Target.

**2006 Key Cost Drivers**

After the reversal of one-time only expenditures in 2005, the 2006 Key Cost Drivers include:

- The annualized impact of Council’s “Clean and Beautiful City Initiative”, results in incremental net expenditures of \$51,300 for delivering the base budget services, which include:
  - the coordination and positioning of City Programs involved in the Clean and Beautiful City Initiative throughout City;
  - support for the Roundtable on a Beautiful City; and
  - the identification of new partners in the public, business communities, institutions and the City’s Agencies, Boards, and Commissions.
- Cost-of-living adjustments (COLA) of \$6,100 are non-discretionary expenditures.

**Table 4: Summary of Proposed Base Budget Changes  
From 2005 Approved Budget**

	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
<b>2005 Approved Operating Budget</b>	<b>3.0</b>	<b>321.5</b>	<b>0.0</b>	<b>321.5</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments		5.0		5.0		
<b>2005 Approved Operating Budget</b>	<b>3.0</b>	<b>326.5</b>	<b>0.0</b>	<b>326.5</b>	<b>0.0</b>	<b>0.0</b>
Annualizations		124.5		124.5		
Economic factors		9.7		9.7		
<b>Adjusted Base Budget</b>	<b>3.0</b>	<b>460.7</b>	<b>0.0</b>	<b>460.7</b>	<b>0.0</b>	<b>0.0</b>
Other base changes						
Base revenue changes						
<b>2006 Base Budget Request</b>	<b>3.0</b>	<b>460.7</b>	<b>0.0</b>	<b>460.7</b>	<b>0.0</b>	<b>0.0</b>
Recommended Base Adjustments:						
Other base changes	(1.0)	(263.7)		(263.7)		
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
<b>Total Proposed Base Adjustments</b>	<b>(1.0)</b>	<b>(263.7)</b>	<b>0.0</b>	<b>(263.7)</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Proposed Base Budget</b>	<b>2.0</b>	<b>197.0</b>	<b>0.0</b>	<b>197.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2006 Program Operating Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>333.0</b>		
<b>% Over (Under) Program Target</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>(40.8)</b>		
<b>% Over (Under) 2005 Approved Budget</b>	<b>(33.3)</b>	<b>(39.7)</b>	<b>N/A</b>	<b>(39.7)</b>		

**Section C: 2006 Base Budget Issues****Key Issues / Recommendations*****Other Base Budget Changes – Neighbourhood Beautification Project***

The Neighbourhood Beautification Project was approved as a one-time only initiative in 2005 as part of the Clean and Beautiful City Initiative – Five-Point Action Plan, which was adopted by City Council at its meeting of November 30, December 1 and 2, 2004. The project was designed to engage communities to beautify underutilized spaces in different wards and complement the City's increased efforts to clean and revitalize overlooked City-owned spaces. The project spans a variety of categories such as murals; cleaning and greening; and creating neighbourhood signs/entranceways. Project locations were identified by Councillors, often on the advice of neighbourhood groups and suggestions from City staff, and members of the Roundtable on a Beautiful City. The goal was to have at least one project per ward.

Up to \$1,500 was allocated to each ward based on the criteria for project selection, which include:

- maximum visibility to citizens;
- being simple in design and workload;
- having a keen and able group of volunteers to help execute and maintain the project;
- simple approval process and safe access.

The project was approved as a one-time only program with funding of \$186,900 in 2005, which included:

- \$120,900 for 1 Project Officer position for 9 months and office costs; and
- \$66,000 in program costs to award \$1,500 to each of the 44 wards for 1 beautification project

To help implement the project, an additional Project Officer was seconded from City Planning Division. The expenditure of this position has been paid through 2005 operating surplus in other former UDS Programs.

The Secretariat requested to continue the Neighborhood Beautification Project for one more year in 2006 and included the full year funding needs of \$263,700 for this project in its 2006 Requested Base Budget. The \$263,700 includes funding for:

- \$197,700 for 1 Project Officer position and office costs for the full year; and
- \$66,000 in program costs to award \$1,500 to each of the 44 wards for 1 beautification project

Due to budgetary restrictions, funding for the Clean and Beautiful City Initiative is strictly limited to year 2 costs of the 3-Year Plan approved by City Council at the end of 2004. It is therefore recommended that the Deputy City Manager responsible for the Clean and Beautiful City Secretariat report to the Budget Advisory Committee during the 2006 Operating Budget Process on how the request for the continuation of the Neighborhood Beautification Project in 2006 can be accommodated within the overall Clean and Beautiful City Initiative resources being proposed for 2006.

***3 Year Operating Budget Overview***

- The Clean and Beautiful City Secretariat was approved as one of the initiatives included in City Council's Clean and Beautiful City Initiative 3-Year Plan. Its major objectives are to:
  - coordinate and position City Programs involved in the delivering of Clean and Beautiful City Initiatives throughout City;
  - act as the primary staff contact and support to the Roundtable on a Beautiful City. Manage the workflow of the Roundtable subcommittees and provide strategic advice to subcommittees to facilitate a cleaner and more beautiful city; and
  - deliver the 2005 Neighbourhood Beautification Project, identify community groups and sponsors to contribute and facilitate approvals for the implementation of projects.
- The Clean and Beautiful City Initiative – Five-Point City Action Plan adopted by City Council organizes an evolving list of Clean and Beautiful City Initiatives into five key actions: Sweep It, Design It, Grow It, Build It, and Celebrate It. The plan includes approximately 48 initiatives, 13 of which are new proposals, and highlights a number of programs which already contribute to the Beautiful City agenda.
- Some of the accomplishments of the Clean and Beautiful City Initiative in 2005 are:
  - an estimated 100,000 people helped with the annual 20-Minute Toronto Makeover;
  - thousands of people attended 58 events during the May Festival of Architecture and Design;
  - 40 community groups organized neighbourhood beautification projects across the city;
  - with help from 825 volunteers, almost 4,000 trees and shrubs were added to Toronto's urban forest;
  - 16 community groups painted murals in local communities; and
  - 52 individuals and community groups were recognized for their contributions when they received Clean and Beautiful City Appreciation Awards in the fall.
- The detailed accomplishments of Clean and Beautiful City Initiative in 2005 will be reported through a budget briefing note to the Budget Advisory Committee at its meeting in January 2006.
- The 2006 Proposed Base Budget of \$197,000 will provide funding to ensure the Secretariat delivers the base budget services, which include:
  - the coordination and positioning of City Programs involved in the Clean and Beautiful City Initiative throughout City;
  - support for the Roundtable on a Beautiful City; and
  - the identification of new partners in the public, business communities, institutions and the City's Agencies, Boards, and Commissions.
- Given that the Clean and Beautiful City Initiative will be completed at the end of the 2007 and the first term of Roundtable on a Beautiful City will be completed at the end of 2006, it is recommended that the Deputy City Manager responsible for the Clean and Beautiful City Secretariat report to the Budget Advisory Committee prior to the 2007 Operating Budget Process on the status and budget implications of Clean and Beautiful City Secretariat for 2007.

**Issues Referred to 2006 Operating Budget Process**

There are no issues referred to 2006 Operating Budget Process.

**Outstanding Issues from 2005 and Prior Years**

There are no outstanding issues from 2005 and prior years.

**Appendix A**

**Summary of Service Level Adjustments**

**PART III: NEW COUNCIL PRIORITIES**

**Section D: 2006 Proposed New Council Priorities**

**Table 5: Summary of 2006 Proposed New Council Priorities (\$000)**

Council Priority	Description	Total 2006 New Requests		2006 Not Proposed		2006 Proposed Council Priorities		Proposed New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.	Gross Exp.	Net Exp.	Gross Exp.	Net Exp.		2007	2008
		\$	\$	\$	\$	\$	\$	#	\$	\$
4	<b>Council Priorities:</b> Additional Staff	120.1	120.1	120.1	120.1					
	Sub-Total Council Priorities	120.1	120.1	120.1	120.1					
	<b>New Requests Referred to 2006 Operating Budget:</b>									
	Sub-Total Referred									
	<b>New Program Requests:</b>									
	Sub-Total New Program Requests									
	<b>Total New Council Priorities</b>	<b>120.1</b>	<b>120.1</b>	<b>120.1</b>	<b>120.1</b>					
<b>Council Priority</b>		6 - Ensure housing is affordable 7 - Get the powers and funding needed for Toronto to succeed 8 - Improve the planning process 9 - Increase public involvement in civic affairs 10 - N/A								
1 - Improve Public Service										
2 - Make Progress on the Waterfront										
3 - Improve Business Climate										
4 - Make Toronto a clean and beautiful city										
5 -Strengthen our at-risk neighbourhoods										

**Key Issues / Recommendations**

*2006 New Council Priorities*

*One additional Project Officer*

For 2006, the Secretariat is requesting one additional Project Officer position to help implement the Neighbourhood Beautification Project and to help support the Roundtable on a Beautiful City. Due to budgetary restrictions, funding for the Clean and Beautiful City Initiative is strictly limited to year 2 of the 3-Year Plan approved by City Council at the end of 2004. The new request of one additional Project Officer was not included in the Approved 3-Year Plan and continuation of the Neighbourhood Beautification Project has been deferred at this time, therefore, this new request is not proposed.

**Appendix B**

**Summary of Council Priority Services and New Service Requests**