

**BUDGET ADVISORY COMMITTEE
2006 OPERATING BUDGET
AGENDA
MEETING 9**

Date of Meeting: Wednesday, January 25, 2006
Time: 9:30 a.m.
Location: Committee Room 1
City Hall
100 Queen Street West
Toronto, Ontario

Enquiry: Merle MacDonald
Acting Committee Administrator
416-392-7340
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If the Budget Advisory Committee wishes to meet in camera (privately) a motion must be made to do so and the reason given (*Municipal Act, 2001*).

Declarations of Interest under the *Municipal Conflict of Interest Act*

Communications/Reports:

**1. Economic Development and Parks Committee Transmittal
2006 Operating Budget – Economic Development and Parks Committee**

Communication (January 17, 2006) from the Economic Development and Parks Committee.

Recommendations:

The Economic Development and Parks Committee on January 16, 2006, recommended to the Budget Advisory Committee that City Council:

(A) Culture:

adopt the following Operating Recommendations contained in the Analyst Briefing Notes for Culture:

- (1) the Culture 2006 Proposed Operating Budget of \$15.860 million gross and \$10.654 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Art Services	1,732.1	1,362.1
Cultural Development	8,528.0	5,126.6
Heritage Services	5,599.6	4,164.8
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Total Program Budget	15,859.7	10,653.5
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- (2) the Year of Creativity initiative with a 2006 cost of \$3.250 million gross and \$1.500 million net, be approved subject to securing \$1.750 million in revenue from Provincial, Federal and other sources;
- (3) \$0.150 million of savings from the elimination of the contribution to Tourism Toronto be reallocated to partially offset the City's net \$1.5 million cost for year 2 of the Year of Creativity; and
- (4) the Deputy City Manager and Chief Financial Officer, the City Solicitor, and the Deputy City Manager responsible for Culture are requested to report to Budget Advisory Committee during the 2006 Operating Budget review process on the use of the Harbourfront Reserve Fund for Music Garden programming;

subject to:

- (i) adding \$25,000 gross and \$12,500 net for the Music Garden Program;
- (ii) adding the following recommendations:
 - (5) staff refer to Recommendation 47 of the Culture Plan, which reads "the Culture Division will work with the Local Arts Services Organizations (LASOs) to review service gaps and determine levels of funding" and report back to Economic Development and Parks Committee on July 6, 2006 with a report outlining the possibility of increasing the core funding of local arts organizations to a level of sustainability and growth;
 - (6) staff refer to Recommendation 43 of the Culture Plan specifying that the "Culture Division will develop a strategy to help LASOs provide services to a broader range of communities and art groups in every part of the City", and report back to Economic Development and Parks Committee on July 6, 2006, with an action plan detailing steps to grow local arts and culture organizations across the City; and

- (7) in light of the City's recent reorganization and the impending reorganization of Economic Development, Culture and Tourism, staff report back to the Economic Development and Parks Committee on September 12, 2006, with strategies to engage, fully support and grow community arts activities across the City through Culture's staff complement.

(B) Economic Development:

adopt the following Operating Budget Recommendations contained in the Analyst Briefing Notes for Economic Development:

- (1) the Economic Development 2006 Proposed Operating Budget of \$10.311 million gross and \$8.292 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Business Development and Retention	3,566.3	2,986.3
Entrepreneurship and Small Business	917.3	684.7
Investment Marketing	2,891.2	2,529.2
Economic Research and Business Information	1,045.2	985.2
Local Partnership	1,890.5	1,106.2
Total Program Budget	10,310.5	8,291.6

- (2) the \$0.210 million increase in funding for the Enhanced International Profile be conditional on approval of the proposed \$0.531 million reallocation of realized savings from the elimination of the City's contribution to Tourism Toronto to fund initiatives in Economic Development, Culture and Tourism that support the City's economic development and tourism objectives;
- (3) \$0.037 million from the Governmental Reserve Fund continue to be used in the Economic Development 2006 Operating Budget to partially contribute to the City's Greater Toronto Marketing Alliance membership cost of \$0.100 million; and
- (4) the Deputy City Manager responsible for Economic Development to report to Budget Advisory Committee during the 2006 Operating Budget process on the status of the service agreement with the GTMA and the funding of the annual GTMA membership;

subject to redirecting \$89,500 from the \$210,000 New/Enhanced Funding for International Profile, and applying such amount to City-to-City Partnerships as per Council's direction in December 2005.

(C) Tourism:

adopt the following Operating Budget Recommendations contained in the Analyst Briefing Notes for Tourism:

- (1) the Tourism 2006 Proposed Operating Budget of \$9.028 million gross and \$5.286 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Special Events	7,179.6	3,837.8
Tourism Development & Research	1,204.1	804.1
Toronto International	643.7	643.7
	<hr/>	<hr/>
Total Program Budget	<u>9,027.5</u>	<u>5,285.6</u>

- (2) the completion of the Premier Ranked Destination Framework be approved for \$0.100 million gross, \$0.030 million net, for one year; conditional on securing \$0.070 million in Provincial and Federal funding;
- (3) funding of the Major Events Strategy be conditional on approval of the proposed \$0.531 million deletion to the City's remaining contribution to Tourism Toronto to fund new initiatives in Economic Development, Culture and Tourism that support the City's economic development and Tourism objectives;
- (4) \$0.460 million of the \$0.531 million savings be re-allocated to offset new funding initiatives of \$0.210 million in Economic Development, \$0.150 million in Culture and \$0.100 million in Tourism that support the City's tourism objectives to be proposed in each of the three Program's 2006 Operating Budget, respectively; and
- (5) the Deputy City Manager responsible for Tourism to report to Budget Advisory Committee during the 2006 Operating Budget process on the status of the investment in the City's Tourism initiatives by Tourism Toronto.

(D) Parks, Forestry and Recreation:

adopt the following Operating Budget Recommendations contained in the Analyst Briefing Notes for Parks, Forestry and Recreation:

- (1) the Parks, Forestry and Recreation 2006 Proposed Operating Budget of \$284.014 million gross and \$212.107 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Parkland and Open Space	124,284.7	107,508.7
Sports and Recreational	153,356.2	100,735.3
Policy and Development	6,373.5	3,863.1
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Total Program Budget	284,014.3	212,107.0
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- (2) \$3.5 million gross, \$0 net, be approved for the Asian Long Horn Beetle Program, subject to 100 percent recovery from the federal government and a report to Council that costs associated with the survey, removal and disposal of infected trees will continue to be fully recovered through the Canadian Food Inspection Agency;
- (3) the General Manager of Parks, Forestry and Recreation report back on opportunities for improving service delivery and optimizing existing resources as a result of the Program's organizational re-alignment prior to the 2007 Operating Budget process;
- (4) any additional funding for "Clean and Beautiful City" initiatives be supported from within Parks, Forestry and Recreation's 2006 Proposed Operating Budget and that the resulting service impacts be identified;
- (5) the General Manager of Parks, Forestry and Recreation and the Acting Executive Director of Economic Development report to the Budget Advisory Committee, during the 2006 Operating Budget process, on offering to BIAs a cost-shared Pilot Program in 2006 for tree watering, in the amount of \$100,000 net, \$200,000 gross range;
- (6) the General Manager of Parks, Forestry and Recreation, in conjunction with the Deputy City Manager and Chief Financial Officer, the City Solicitor, and the Deputy City Manager responsible for Culture, report to Budget Advisory Committee during the 2006 Operating Budget process

on the use of the Harbourfront Reserve Fund for Music Garden programming; and

- (7) Parks, Forestry and Recreation's future new service priorities be considered in the context of Council's highest priorities and within an affordable fiscal framework;

subject to:

- (i) adding \$638,900 gross and net for the implementation of the Youth Recreation Strategy;
- (ii) adding \$254,300 gross and \$216,700 net for the Earthkeepers Program;
- (iii) adding \$791.9 gross and \$741,900 net for Ravine and Watercourse Maintenance;
- (iv) adding \$253,500 gross and net for Enhanced Community Development;
- (v) adding the following recommendation:
 - (8) In the 2006 operation of leisure skating over the Holiday Season, priority be given to operating leisure skating at local rinks except Christmas Day, Boxing Day and New Year's Day.
- (vi) the Parks, Forestry and Recreation Division eliminating the fees charged to children and youth for class A, B, C gymnasia; and that the request for \$176,000 in funding to offset the loss of revenue be directed to the Budget Advisory Committee, to be considered with all other children and youth initiative funding requests; and
- (vii) the Parks, Forestry and Recreation Division eliminating the fees charged to seniors in the former Scarborough, Etobicoke and East York areas, for multi-purpose rooms and gymnasia during the day (non-prime time), and that \$76,000 be provided to offset the consequent loss in revenue.

(E) Yonge-Dundas Square:

adopt the following Operating Budget Recommendations contained in the Analyst Briefing Notes for Yonge-Dundas Square:

It is recommended that the Yonge-Dundas Square 2006 Proposed Operating Budget of \$1.072 million gross and \$0.583 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Yonge-Dundas Square	1,072.4	582.6
Total Program Budget	1,072.4	582.6

(F) Heritage Toronto:

adopt the following Operating Budget Recommendations contained in the Analyst Briefing Notes for Heritage Toronto:

- (1) the Heritage Toronto 2006 Proposed Operating Budget of \$0.687 million gross and \$0.356 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Heritage Programming	276.0	52.0
Advocacy	245.1	241.9
Heritage Fund Development	165.5	61.6
Total Program Budget	686.6	355.5

- (2) funding of \$0.120 million and \$0 net for the Branding Process, the Heritage Symposium and the Heritage Program Enhancements be approved conditional on securing the other revenues to deliver these programs at no net cost to the City;
- (3) the Chair of Heritage Toronto report to Budget Advisory Committee in January 2006 on the options totaling \$0.041 million to meet the 2 percent target over the 2005 funding level; and
- (4) the Chair of Heritage Toronto report to Budget Advisory Committee, prior to the submission of the 2007 Operating Budget Request, on a revenue strategy to support current program activities that may be funded by donations and other revenue sources.

(G) Community Partnership and Investment Program:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for the Community Partnership and Investment Program:

- (1) the 2006 Proposed Operating Budget of \$15.562 million gross and net, for the Community Partnership and Investment Program, Arts and Culture Service Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000s)	Net (\$000s)
Arts and Culture		
Toronto Arts Council Grants	8,913.3	8,913.3
Toronto Arts Council Operation Program	939.3	939.3
Major Organizations	3,936.7	3,936.7
Royal Winter Fair	884.7	884.7
Local Art Services Organizations	330.2	330.2
Museums	77.4	77.4
Artscape	230.8	230.8
Culture Build	250.0	250.0
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Total Arts and Culture Grants	<u>15,562.4</u>	<u>15,562.4</u>

- (2) the 2006 Proposed Operating Budget of \$1.280 million gross and net, for the Community Partnership and Investment Program, Recreation Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000s)	Net (\$000s)
Major Recreation	824.9	824.9
Minor Recreation	426.2	426.2
Lawn Bowling	29.3	29.3
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Total Recreation Grants	<u>1,280.4</u>	<u>1,280.4</u>

- (3) the 2006 Proposed Operating Budget of \$0.541 million gross and net, for the Community Partnership and Investment Program, Economic Development Service Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000s)	Net (\$000s)
Economic Development Sector Initiatives (EDSIP)	220.5	220.5
Economic Sponsorship Initiatives (ESI)	137.0	137.0
Commercial Research	43.8	43.8
Community Festivals	140.0	140.0
Total Economic Development Sector Initiatives	<u>541.3</u>	<u>541.3</u>

- (4) the Deputy City Manager responsible for Arts and Culture Grants, in consultation with the Deputy City Manager and Chief Financial Officer, report to Budget Advisory Committee during the 2006 Operating Budget Process, on the appropriateness and financial implications of transferring the Royal Agricultural Winter Fair funding to Exhibition Place; and
- (5) consideration of funding for the Variety Village request of \$0.125 million be deferred pending a report from the Deputy City Manager in consultation with the Deputy City Manager and Chief Financial Officer to Budget Advisory Committee as part of the 2006 Operating Budget Process, on the operational and financial viability of the organization and proof of continued support from the Provincial government.
- (6) consideration of funding totaling \$1.428 million be deferred pending Council direction for the promotion and funding of TO Live with Culture during 2006, for the following Grant requests:
- Toronto Arts Council (\$1.097 million)
 - Major Arts Organizations (\$0.300 million)
 - Local Arts Service Organizations (\$0.016 million)
 - Artscape (\$0.015 million)

subject to:

- (i) adding \$400,000 to the Toronto Arts Council Cultural Grants Program;
- (ii) adding \$300,000 to Major Cultural Organizations;
- (iii) adding \$33,000 to Local Arts Service Organizations (LASOs);
- (iv) adding \$15,000 to Toronto Artscape;

- (v) adopting the following motion by Councillor Lindsay Luby:

“WHEREAS Council last year adopted the principle that the grant for the Royal Agricultural Winter Fair should equal the rent being charged;

THEREFORE BE IT RESOLVED THAT the grant to the Royal Agricultural Winter Fair be increased by \$83,000 for 2006, to allow the RWAFF to cover the increase in rental expenses at Exhibition Place.”;

2. Heritage Toronto

(Refer to the Budget Binders Previously Distributed to all Members of Council)

3. Yonge-Dundas Square

(Refer to the Budget Binders Previously Distributed to all Members of Council)

4. Culture

(Refer to the Budget Binders Previously Distributed to all Members of Council)

5. Economic Development

(Refer to the Budget Binders Previously Distributed to all Members of Council)

5(a). International Alliance Program (All Wards)

Communication (December 12, 2005) from the City Clerk, advising that City Council on December 5, 6 and 7, 2005 considered Clause 2b of Report 9 of the Economic Development and Parks Committee, and has forwarded a new/enhanced program request of \$89,000.00 to support an expanded program of Partnership Cities: Chicago, Chongqing, Frankfurt, Milan, Amsterdam and Warsaw; and as Friendship Cities: Kyiv, Sagamihara, Ho Chi Minh City, Quito, Thessaloniki and Volgograd to the 2006 budget process for consideration.

6. Tourism

(Refer to the Budget Binders Previously Distributed to all Members of Council)

7. Parks, Forestry and Recreation

(Refer to the Budget Binders Previously Distributed to all Members of Council)

7(a). Parks, Forestry and Recreation Revenue Review – Phase II (All Wards)

Communication (July 27, 2005) from the City Clerk, advising that City Council on July 19, 20, 21 and 26, 2005, adopted without amendment Report 7, Clause 7 of the Economic Development and Parks Committee, entitled “Parks, Forestry and Recreation Revenue Review – Phase II (All Wards)” and forwarded a copy to the Budget Advisory Committee for consideration during the 2006 Operating Budget process.

7(b). Earth Keepers Program (All Wards)

Communication (October 3, 2005) from the City Clerk, advising that City Council on September 28, 29 and 30, 2005, adopted without amendment Report 8, Clause 13 of the Economic Development and Parks Committee, entitled “Earth Keepers Program (All Wards)” and referred the report (August 25, 2005) from the General Manager, Parks, Forestry and Recreation to the Budget Advisory Committee for consideration during the 2006 Operating Budget process.

7(c). Policy and Finance Committee Report 9, Clause 39 Exchange of Services Agreement Between the City of Toronto and Toronto Catholic District School Board (All Wards)

Communication (November 1, 2005) from the City Clerk advising that City Council on October 26, 27, 28 and 31, 2005, adopted, without amendment, Report 9, Clause 39 of the Policy and Finance Committee, and forwarded a copy of the Clause to the Budget Advisory Committee for consideration during the 2006 Operating Budget review.



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2006 OPERATING BUDGET
ADDED STARTER
MEETING 9**

Date of Meeting: Wednesday, January 25, 2006
Time: 9:30 a.m.
Location: Committee Room 1
City Hall
100 Queen Street West
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Enquiry: Merle MacDonald
Acting Committee Administrator
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Communications/Reports:

7. Parks, Forestry and Recreation

7(d). Harbourfront Parklands – Establishment of a Reserve Fund Account for Programming at Toronto Music Garden (Ward 20 – Trinity-Spadina)

Report (January 23, 2006) from the General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer seeking authority to establish a discretionary reserve fund account that will be used as an endowment for the purpose of providing annual funds to support programming at the Toronto Music Garden through the Parks, Forestry and Recreation 2006 Operating Budget.

Recommendations:

It is recommended that:

- (1) City Council establish an account called the “Endowment for Programming at Toronto Music Garden” within the Corporate Discretionary Reserve Fund, for the purposes of using its earned interest to provide annual funding to support programming at the Toronto Music Garden and that \$600,000.00 be transferred to this reserve fund account from the net accumulated interest in the Harbourfront Parklands Reserve Fund (XR3200) to this new account;

- (2) Municipal Code Chapter 227 (Reserves and Reserve Funds) be amended by adding the “Endowment for Programming at Toronto Music Garden” to Schedule 3-Corporate Discretionary Reserve Fund;
- (3) donations received for programming at the Toronto Music Garden be held for this purpose, and receipts for income tax purposes will be issued to donors in accordance with the *Income Tax Act*;
- (4) subject to City Council adopting the Recommendations above, the General Manager of Parks, Forestry and Recreation will advise the Government of Canada, through the Queens Quay West Land Corporation, of the establishment of this reserve fund account and of the terms and conditions under which it has been established;
- (5) \$50,000.00 gross, \$0 net be included in the Parks, Forestry and Recreation 2006 Operating Budget to provide funding to Harbourfront Centre to support the Toronto Music Garden programming in 2006, and provided from the net accumulated interest in the Harbourfront Parklands Reserve Fund (XR3200);
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, and that leave be granted for the introduction of any necessary bills in Council to give effect thereto.