

Consolidated Clause in Policy and Finance Committee Report 2, which was considered by City Council on March 29 and 30, 2006.

1

**City of Toronto 2006 Budget Advisory Committee
Recommended Tax Supported Operating Budget**

City Council on March 29 and 30, 2006, amended this Clause, as follows:

- (1) *by deleting from Appendix 4, headed “2006 User Fee Analysis, User Fee Change - BAC Proposed Rate Increase in 2006”, to the report (March 23, 2006), entitled “City of Toronto 2006 Recommended Tax Supported Operating Budget” from the City Manager and the Deputy City Manager and Chief Financial Officer [as referenced in Recommendation (A)(8) of the Policy and Finance Committee], the following fees, as they were included in error:*
 - (a) *Application Fee for A-Frame Sign;*
 - (b) *Renewal Fee for A-Frame Sign;*
 - (c) *Application Fee for Mobile Sign; and*
 - (d) *Application Fee for Mobile Sign - Minimum;*
- (2) *by amending the Program Recommendations, as recommended by the Policy and Finance Committee, as follows:*

Citizen Centred Services - A

Affordable Housing

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Children’s Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Court Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Culture

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Economic Development

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Emergency Medical Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Homes for the Aged

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Parks, Forestry and Recreation

City Council amended the Program Recommendations, as recommended by the Policy and Finance Committee:

- (1) by adding to Recommendation (A)(21) of the Policy and Finance Committee, after the words “highest priorities”, the words “and equity between the four administrative districts”, so that Recommendation (A)(21) now reads as follows:*

“(21) Parks, Forestry and Recreation’s future new service priorities be considered in the context of Council’s highest priorities and equity between the four administrative districts, and within an affordable fiscal framework.”;

- (2) to provide that the Youth Apprenticeship program “Training in the Trades”, be given the highest priority amongst the list of youth programs that the City is forwarding for funding consideration under the recently announced provincial youth-at-risk initiatives, and staff be directed to do as much as possible to prepare for start-up of this program to be implemented as soon as Provincial funds are allocated (See also Social Development, Finance and Administration, Page 3); and*

- (3) by adding the following:*

“That the General Manager, Parks, Forestry and Recreation, be requested to report to the Economic Development and Parks Committee:

- (a) by June 2006, on the progress of the implementation of the Parks, Forestry and Recreation’s new structure based on the Common Grounds report; and*

- (b) *on re-establishing, with the Toronto District School Board, an exchange of service agreement that will result in returning schools to communities as 'community assets' that allow recreation programs for children and youth to be expanded in their communities and reduces costs to provide these programs."*

Shelter, Support and Housing Administration

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Social Development, Finance and Administration

City Council amended the Program Recommendations, as recommended by the Policy and Finance Committee:

- (1) *by amending Recommendation (A)(26) of the Policy and Finance Committee to include programs for youth at risk, provided by the following Local Arts Service Organizations, in the new and enhanced requests for youth programs and services:*
 - (a) *Scarborough Arts Council;*
 - (b) *Urban Arts;*
 - (c) *Arts Etobicoke; and*
 - (d) *Lakeshore Arts;*
- (2) *to provide that the Youth Apprenticeship program "Training in the Trades", be given the highest priority amongst the list of youth programs that the City is forwarding for funding consideration under the recently announced provincial youth-at-risk initiatives, and staff be directed to do as much as possible to prepare for start-up of this program to be implemented as soon as Provincial funds are allocated (See also Parks, Forestry and Recreation, Page 2); and*
- (3) *by adding the following:*

"That:

 - (a) *the City Manager be directed to develop appropriate performance measures on the outcomes of City and community programming in priority neighbourhoods, in conjunction with the Centre of Criminology and other relevant research initiatives, and report to Council, through the Community Services Committee, on the implementation of these performance measures as part of the report on the implementation of the Toronto Strong Neighbourhoods Strategy coming forward in June 2006; and*

- (b) *with the approval of the new/enhanced funding of Neighbourhood Action Community Development in the Social Development, Finance and Administration budget to allow the City to begin implementing the Neighbourhood Action Plans in all the thirteen priority neighbourhoods, City staff ensure the local police divisions, the local Councillor and communities are directly involved in the planning process.”*

Social Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Tourism

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

3-1-1 Customer Service Strategy

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Citizen Centred Services - B

Building Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Business Support Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

City Planning

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Clean and Beautiful City Secretariat

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Fire Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Municipal Licensing and Standards

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Solid Waste Management Services

City Council amended the Program Recommendations, as recommended by the Policy and Finance Committee, by adding the following:

“That the General Manager, Solid Waste Management Services, be requested to report to the Works Committee on how a managed competition could be held for the residential garbage collection in the former City of North York.”

Transportation Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Technical Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Waterfront Secretariat

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Internal Services

Office of the Deputy City Manager and Chief Financial Officer

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Office of the Treasurer

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Corporate Communications

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Facilities and Real Estate

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Fleet Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Information and Technology

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

City Manager

City Manager's Office

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Human Resources

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Other City Programs

City Clerk's Office

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Legal Services

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Auditor General's Office

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Mayor's Office

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

City Council

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Agencies, Boards and Commissions

Public Health

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Public Library

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Association of Community Centres

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Exhibition Place

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Heritage Toronto

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Theatres

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Zoo

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Arena Boards of Management

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Yonge-Dundas Square

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Parking Tag Enforcement and Operations

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Atmospheric Fund

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto and Region Conservation Authority

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Transit Commission - Conventional

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Transit Commission - Wheel-Trans

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Police Service

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Toronto Police Services Board

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

Corporate Accounts

Community Partnership and Investment Program

City Council amended the Program Recommendations, as recommended by the Policy and Finance Committee, by:

- (1) *deleting Recommendation (A)(143) of the Policy and Finance Committee and inserting instead the following:*

“(143) additional funding of \$25,000.00 for the Toronto Region Research Alliance (TRRA) be conditional on TEDCO matching the amount resulting in \$50,000.00 funding to TRRA; and that \$25,000.00 of that be used in support of the Information and Communication Technology (ICT) Sector Marketing Program approved by City Council and that TRRA work with the City and the Greater Toronto Marketing Alliance (GTMA) on the development of the program;”; and

- (2) *adding the following:*

“That \$100,000.00 of funding from the Major Cultural Organizations Grants Program within the 2006 Approved Budget for the Community Partnership and Investment Program designated to Pride Toronto be immediately released, pending an appropriate application being submitted and all the grant criteria being met.”

Capital and Corporate Financing/Non-Program

City Council amended the Program Recommendations, as recommended by the Policy and Finance Committee, to provide that the Mayor’s Homeless Initiative Reserve draw of \$1.469 million and the Capital Revolving Fund Reserve draw of \$9.525 million recommended in Appendix C of Report 3, entitled “Reserve Contribution to the 2006 Operating Budget”, be reversed and replaced by a draw of \$9.525 million from the Homes for the Aged Capital Reserve Fund and a further draw of \$1.469 million from the Social Housing Stabilization Reserve Fund.

Non-Levy Operations

Toronto Parking Authority

City Council adopted the Program Recommendations, as recommended by the Policy and Finance Committee, without amendment.

GENERAL

- (3) *by adding the following:*

“That:

- (a) *the City Manager be requested to:*
- (i) *report to the next meeting of the Policy and Finance Committee on the progress and status of performance measures for services performed by the City;*

- (ii) *report to the July 25, 2006 meeting of City Council, through the Policy and Finance Committee, providing a list of the following:*
 - (1) *services that are performed by the City and its agencies, boards and commissions;*
 - (2) *services that are provided by the private sector for the City and its agencies, boards and commissions; and*
 - (3) *services in Part (1), above, that could also be provided by the private sector;*
- (iii) *report to the Policy and Finance Committee on opportunities for zero-based Budgeting within the City and all of its divisions, agencies, boards and commissions, and all divisions, agencies, boards and commissions being reviewed on a three-year, rolling basis;*
- (iv) *report to the Policy and Finance Committee on possible opportunities in the new 'City of Toronto Act' (Bill 53), to raise revenue to be used for the establishment of a reserve fund to address 'Emergency City Safety' issues, as it relates to crime and violence, in the City of Toronto; and*
- (b) *the City Manager and the Deputy City Manager and Chief Financial Officer be requested to:*
 - (i) *report to Council for its meeting on June 27, 2006, through the Policy and Finance Committee, outlining their recommendations on service priorities and a plan to review our current service delivery models, prior to consideration of the 2007 budget; and*
 - (ii) *report through the 2007 Operating Budget process, on any proposed service changes which may be required to achieve a '0' base budget for 2007."*

This Clause, as amended, was adopted by City Council.

Council also considered additional material, which is noted at the end of this Clause.

The Policy and Finance Committee recommends that:

- (A) City Council adopt the recommendations in the Recommendations Section of the report (March 23, 2006) from the City Manager and the Deputy City Manager and Chief Financial Officer respecting the City of Toronto 2006 Operating Budget, subject to the amendments by the Budget Advisory Committee and the Policy and Finance Committee:**
- (1) the 2006 BAC Recommended Non Program Revenue Budget be increased by \$135.0 million to recognize incremental commitments from the Province to fund its responsibilities;**
 - (2) the 2006 BAC Recommended Non Program Revenue Budget be adjusted for increased contributions from reserves and reserve funds totalling \$112.862 million;**
 - (3) the 2006 BAC Recommended Non Program Revenue Budget be adjusted for increased Hydro dividends of \$21.0 million;**
 - (4) the 2006 BAC Recommended Capital and Corporate Financing Budget be reduced by \$20.0 million based upon an agreement to defer the 2006 Provincial loan repayment installment and continuing discussions with the Province on the remaining balance of the loan;**
 - (5) the 2006 BAC Recommended Operating Budget of \$7.583 billion gross and \$3.132 billion net expenditures (before assessment growth), comprised of a Base Budget of \$7.433 billion gross expenditures and \$3.123 billion net, and a New / Enhanced Services budget of \$149.483 million gross and \$8.755 million net, as detailed in Appendix 1, be approved;**
 - (6) a residential property tax increase of 3.0 percent or \$37.232 million and a Commercial, Industrial, and Multi-residential tax increase of 1.0 percent or \$18.352 million be approved (after assessment growth);**
 - (7) the Program Recommendations regarding the 2006 BAC Recommended Operating Budget for each City Program, Agency, Board and Commission, as detailed in Appendix 3 be approved;**
 - (8) the increases in fees and charges included in the 2006 BAC Recommended Operating Budget for the City's Programs, Agencies, Boards and Commissions, detailed in Appendix 4, be approved;**
 - (9) the reports, transmittals and communications that are on file with the City Clerk's Office (including Appendix 6 herewith attached) as considered by the Budget Advisory Committee at its 2006 budget review meetings be received;**

- (10) the additional subsidy of \$100.0 million from the Province be set aside in the TTC Stabilization Reserve for the 2007 TTC Operating Budget; and
- (11) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, including any necessary assessment/tax-related technical adjustments.

Appendix 3
2006 BAC Recommended Operating Budget
as amended by the Budget Advisory Committee and
the Policy and Finance Committee

Citizen Centred Services – A

Affordable Housing:

- (1) the 2006 BAC Recommended Operating Budget for Affordable Housing Office of \$3.014 million gross and \$1.414 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Affordable Housing Office	<u>3,014.0</u>	<u>1,414.0</u>
Total Program Budget	<u>3,014.0</u>	<u>1,414.0</u>

Children's Services:

- (2) the 2006 BAC Recommended Operating Budget for Children's Services of \$415.489 million gross and \$68.567 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Administration	24,099.3	9,360.9
Municipal Child Care	61,978.6	18,166.9
Purchased Child Care	<u>329,411.0</u>	<u>41,039.2</u>
Total Program Budget	<u>415,488.9</u>	<u>68,567.0</u>

- (3) the General Manager of Children’s Services report back to the Budget Advisory Committee, through the Community Service Committee, on the financial details of the proposed After School Recreation and Care Program, in early 2006; and**
- (4) the General Manager of Children’s Services report back to Budget Advisory Committee on the capital budget allocations for child care centres in City-owned and non-City-owned facilities, once identified, under the Best Start Initiative with recommended adjustments to Children’s Services’ Operating and Capital Budgets to accommodate the City’s revised Best Start Capital Plan.**

Subject to the following amendments by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

“The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the recommendations in the Recommendations Section of the communication (March 8, 2006) from the Community Services Committee, entitled “Integration of Children’s Services Plans”:

It is recommended that:

- (1) City Council adopt the staff recommendation in the Recommendation Section of the report (February 21, 2006) from the General Manager, Children’s Services:**

“It is recommended that Council endorse the Best Start Network’s Best Start Plan, Toronto Vision for Children, attached as Appendix 3”; and

- (2) the unspent funding from the Child Care Expansion/First Duty Reserve of up to \$25,000.00 be directed for each of the First Duty Projects operated by Macaulay Child Development Centre, Not Your Average Daycare, the Child Development Institute and East York/East Toronto Family Resources to fund summer programs at a total cost of \$100,000.00, and that the contracts with these organizations be extended to September 1, 2006, for this purpose.”**

Court Services:

- (5) the 2006 BAC Recommended Operating Budget for Court Services of \$32.415 million gross and \$(9.544) million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Finance and Administration	18,185.3	16,720.3
Court Administration	7,398.1	(33,096.2)
Court Support	4,045.2	4,045.2
Planning and Liaison	2,786.6	2,786.6
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Total Program Budget	32,415.2	(9,544.1)
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- (6) the Director of Court Services report back to the Budget Advisory Committee on the success of the Off Duty Police Initiative and the initiative to reduce fines in default prior to the 2007 Operating Budget process.

Culture:

- (7) the 2006 BAC Recommended Operating Budget for Culture of \$15.918 million gross and \$10.666 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Art Services	1,757.2	1,387.7
Cultural Development	8,563.0	5,105.9
Heritage Services	5,597.6	4,172.5
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Total Program Budget	15,917.8	10,666.1
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- (8) 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; and

- (9) the staff recommendations contained in the Recommendations Section of the report (January 23, 2006) from the General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer entitled “Harbourfront Parklands-Establishment of a Reserve Fund Account for Programming at Toronto Music Garden” be adopted:

- “(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 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); and
- (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.”

Economic Development:

- (10) the 2006 BAC Recommended Operating Budget for Economic Development of \$9.871 million gross and \$7.852 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Business Development and Retention	3,366.2	2,786.2
Entrepreneurship and Small Business	917.3	684.7
Investment Marketing	2,651.2	2,289.2
Economic Research and Business Information	1,045.3	985.3
Local Partnership	1,890.5	1,106.2
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Total Program Budget	9,870.5	7,851.6
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- (11) \$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.

Emergency Medical Services:

- (12) the 2006 BAC Recommended Operating Budget for Emergency Medical Services of \$142.384 million gross and \$60,363 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
CACC	12,295.6	854.1
Centralized Support Services	2,476.8	2,476.8
Corporate Charges	6,205.7	6,205.7
EMS Operations Support Services	19,420.3	8,058.5
EMS Operations	94,725.1	39,809.4
Program Development and Service Quality	7,260.6	2,958.2
Total Program Budget	142,384.1	60,362.7

- (13) the 2006 BAC Recommended Operating Budget for Emergency Medical Services include \$0.075 million to reflect the incremental cost to fully administer the City's Public Access Defibrillation Program;
- (14) future year Operating Budget submissions for EMS include increases of \$0.057 million in 2007, \$0.067 million in 2008, \$0.073 in 2009, and \$0.073 million in 2010, and any inflationary increases as determined for each budget year, to address the expansion of the Public Access Defibrillation Program which includes the planned distribution of 70 Automatic External Defibrillators (AEDs) per year; and
- (15) the 2006 Approved Capital Budget be reduced by \$0.439 million to reflect the implementation of the proposed Public Access Defibrillation Program.

Homes for the Aged:

- (16) the 2006 BAC Recommended Operating Budget for Homes for Aged of \$186.171 million gross and \$32.818 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Division Office	1,584.2	505.8
Toronto Homes	174,260.1	30,755.9
Community Based Services	10,327.0	1,556.3
Total Program Budget	186,171.3	32,818.0

Parks, Forestry and Recreation:

- (17) the 2006 BAC Recommended Operating Budget for Parks, Forestry and Recreation of \$283.643 million gross and \$211.686 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Parkland and Open Space	124,317.8	107,491.9
Sports and Recreation	152,952.1	100,331.2
Policy and Development	6,373.5	3,863.1
Total Program Budget	283,643.4	211,686.2

- (18) \$3.5 million gross, \$0 net, be approved for the Asian Long Horn Beetle Eradication 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;
- (19) the General Manager of Parks, Forestry and Recreation give priority, in 2006, to operating leisure skating over the Holiday Season at local rinks except for Christmas Day, Boxing Day and New Year's Day;
- (20) 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; and
- (21) 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.

Shelter, Support and Housing Administration:

- (22) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration of \$668.480 million gross and \$275.819 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Support	2,119.4	2,119.4
Housing Administration	509,378.9	219,182.9
Hostel Services	119,204.0	52,291.9
Housing and Homelessness Supports	28,010.4	1,881.5
Housing Programs	9,423.7	0
Partnership Development and Support	343.2	343.2
Total Program Budget	668,479.6	275,818.9

- (23) the Province of Ontario be request to immediately recognize the actual cost of shelter per diems amounting to \$29.1 million;

- (24) the staff recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (December 19, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “Villa Otthon – Withdrawal of Funds from the Social Housing Federal Reserve Fund and Approval of a Second Mortgage (Ward 35 Scarborough Southwest)”, as recommended by the Community Services Committee, be adopted:

“(1) authority be given to the General Manager, Shelter, Support and Housing Administration to:

- (a) withdraw from the Social Housing Federal Reserve Fund amounts required for capital repairs at 568 Birchmount Road (the “Property”), an amount not to exceed \$1,572,000.00, and lend these funds to Villa Otthon;
- (b) negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a second mortgage and a general assignment of rents on the Property, subject to the following terms and conditions;
 - (i) the loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage on the Property held by CMHC is due to mature in 2015, or (2) such mortgage is redeemed;

- (ii) **starting on the Commencement Date the loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize the loan over a period of 15 years, subject to the right of Villa Otthon to pre-pay the loan at any time without interest or penalty;**
 - (iii) **the interest rate and repayment schedule will be renegotiable, subject to further Council approval; and**
 - (iv) **such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor;**
- (c) **consent, on behalf of the City of Toronto to Villa Otthon mortgaging, charging or encumbering the Property in connection with the second mortgage, as required under the Operating Agreement being administered by the City of Toronto as Service Manager pursuant to the *Social Housing Reform Act, 2000* (the "SHRA"); and**
- (d) **apply for the consent of the Minister of Municipal Affairs and Housing (the "Minister") required under a Transfer Order made pursuant to the provisions of the SHRA;**
- (2) **the loan of up to \$1,572,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;**
- (3) **the 2006 budget for Shelter, Support and Housing Administration be increased by \$1,572,000.00 gross and \$0 net and be funded by a withdrawal from the Social Housing Federal Reserve Fund to provide a loan to Villa Otthon for required capital expenditures at 568 Birchmount Road;**
- (4) **the Province be requested to reimburse the City of Toronto for the \$1,572,000.00 needed for capital repairs at 568 Birchmount Road and to reimburse Villa Otthon for \$184,000.00 in additional capital repair costs incurred after the July 1, 2002, transfer to the City;" and**
- (6) **the appropriate City officials be authorized and directed to take the necessary action to give effect thereto."**

- (25) the staff recommendations (1), (2), (3) and (5) in the Recommendations Section of the report (November 3, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “110 Edward Street: Extension of Emergency Shelter and Referral Centre Programs, as recommended by the Community Services Committee, be adopted:**

- “(1) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program beyond April 30, 2006 subject to the approval of the 2006 Shelter, Support and Housing Administration Operating budget;**
- (2) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program once the sale of the property is complete, subject to the approval of the 2006 Shelter, Support and Housing Administration Operating budget;**
- (3) the General Manager, Shelter Support and Housing Administration, report to Community Services Committee and Budget Advisory Committee prior to the redevelopment of the site to detail the on-going financial cost implications; and**
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”The Policy and Finance Committee recommend that City Council adopt the report (December 13, 2005) from the General Manager, Shelter, Support and Housing Administration:**

Subject to the following amendment by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

“The Budget Advisory Committee recommended to the Policy and Finance Committee that, as recommended by the Community Services Committee, City Council adopt the following staff recommendations contained in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration, entitled ‘Withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund and Approval of Six Loans to: Ascot Co-operative Homes Inc.; Atahualpa Co-operative Homes Inc.; Bellamy Housing Co-operative Inc.; Mimico Co-operative Homes Inc.; Scarborough Heights Co-operative Homes Inc.; and Secord Avenue Co-operative Homes Inc. (Wards 2, 6, 31, 36, 38 and 42)’:

- “(1) authority be given to the General Manager, Shelter, Support and Housing Administration (the “General Manager”) to:**

(a) **withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund required for capital repairs and lend:**

- (i) **\$502,000.00 to Ascot Co-operative Homes Inc. at 930 Queen's Plate Drive;**
- (ii) **\$678,000.00 to Atahualpa Co-operative Homes Inc. at 3 Brimley Road;**
- (iii) **\$746,000.00 to Bellamy Housing Co-operative Inc. at 130 Bellamy Road North;**
- (iv) **\$6,680,000.00 to Mimico Co-operative Homes Inc. at 1 Summerhill Road;**
- (v) **\$3,320,000.00 to Scarborough Heights Co-operative Homes Inc. at 90 Burrows Hall Boulevard; and**
- (vi) **\$1,487,000.00 to Secord Avenue Co-operative Homes Inc. at 80 Secord Avenue;**

or to a receiver and manager for any of these housing projects, if one has been appointed by the City's social housing Administrator;

(b) **for each of the above described housing projects, negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a mortgage and a general assignment of rents; or if the City's social housing Administrator has appointed a receiver and manager for any of these housing projects, to apply for court approval of the terms and conditions, including those for repayment, of a mortgage and a general assignment of rents, subject to the following terms and conditions:**

- (i) **each loan will be non-interest bearing and not repayable until the earlier of the date (the "Commencement Date") (1) that the first mortgage is due to mature, or (2) such mortgage is redeemed;**
- (ii) **starting on the Commencement Date each loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize each loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;**

- (iii) each interest rate and repayment schedule will be renegotiable, by each housing provider, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form acceptable to the City Solicitor;
 - (c) apply for the consent of the Minister of Municipal Affairs and Housing (the “Minister”) required under Section 95(3) of the *Social Housing Reform Act, 2000* (“SHRA”) and such other consents and approvals as may be necessary or convenient from other third parties, including lenders;
 - (2) the six loans totaling up to \$13,413,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;
 - (3) the 2006 budget for Shelter Support and Housing Administration be increased by \$13,413,000.00 gross and \$0 net and be funded by a withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund for required capital expenditures at six non-profit co-operative housing projects;
 - (4) the Province be requested to reimburse the City of Toronto for the \$13,413,000.00 needed for capital repairs;
 - (5) any reimbursement received from the Province be credited to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion as loans were withdrawn from such Funds; and any repayments of principal and interest on a loan be credited, as they are received, to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion such loan was withdrawn from such Funds;
 - (6) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and
 - (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

The Budget Advisory Committee recommended to the Policy and Finance Committee that, as recommended by the Community Services Committee, City Council adopt the staff recommendations contained in the Recommendations Section of the report (February 22, 2006) from the

General Manager, Shelter, Support and Housing Administration, entitled “2006 One-Time Funding Increase to City of Toronto Homeless Initiatives Fund, Off the Streets into Shelter Fund and Supports to Daily Living Fund, and Proposed Allocations and Update on 2005 One time Allocations”:

- “(1) City Council receive a total one-time funding increase of \$2.900 million gross and \$0 net from the Ministry of Community and Social Services for homelessness programs by increasing the Community Partnership and Investment Program, Housing envelope for the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Shelter, Housing and Support Program, Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net, as shown in the Financial Implications section of this report;**
- (2) the General Manager of Shelter, Housing and Support be authorized to enter into agreements with community agencies and consultants, and to make purchases as required, to implement specific homelessness initiatives that total \$1,956,500.00 gross and \$0 net by allocating one-time funds up to \$1,841,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund and up to \$115,000.00 gross and \$0 net from the Off the Street Into Shelter budget, as set out in Appendix C;**
- (3) the General Manager of Shelter, Housing and Support be authorized to provide one-time funding enhancements that total \$559,068.80 gross and \$0 net to community agencies which were approved for 2006 funding by Council at its meeting of December 5, 6 and 7, 2005, as set out in Appendix D. These one-time enhancements include \$187,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for drop-in services, \$179,068.80 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for housing help services outside of shelters, \$100,000.00 gross and \$0 net from the Off the Street Into Shelter for street outreach services, and \$92,500.00 gross and \$0 net from the Support to Daily Living budget for housing supports in alternative housing;**
- (4) City Council enhance City administration funding by a total of \$184,000.00 gross and \$0 net by increasing the administration expenditures of the City of Toronto Homeless Initiatives Fund by \$30,000.00 gross and \$0 net, and the administration expenditures of the Off the Streets Into Shelter budget by \$154,000.00 gross and \$0 net; and**
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”**

The Budget Advisory Committee recommended recommended to the Policy and Finance Committee that City Council adopt the following staff recommendations in the Recommendations Section of the revised report (March 22, 2006) from the General Manager, Shelter, Support and Housing Administration, entitled “2006 and 2007 Budget Adjustments of \$15,724,083 gross, with \$0 net impact, for Shelter, Support and Housing Administration”:

“That

(1) with respect to the 2006 SCPI allocation of \$12,000,000:

- (a) funding in the amount \$12,000,000 be allocated to the SCPI Community Plan objectives as approved by Council at its meeting on January 31, February 1 and 2, 2006;**
- (b) funding in the amount of \$1,565,300 be used to continue the Shelter and Referral Centre at 110 Edward Street from April 2006 through December 2006, rather than the Social Housing Stabilization Reserve Fund as included in the 2006 Budget Advisory Committee Recommended Operating Budget;**
- (c) the 2006 Capital Budget for the Shelter Management Information System (SMIS) be increased by \$350,000 (with \$50,000 funded in 2006, and \$300,000 funded in 2007) to provide agencies with the enhanced capacity to utilize the SMIS system;**
- (d) three temporary positions through to March 31, 2007, be added to support the implementation of the 2006 SCPI Community Plan; and**
- (e) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$12,000,000 gross and \$0 net.**

(2) the General Manager, Shelter, Support and Housing Administration report back to Community Services Committee on how increased funding of \$3,296,389, from an originally anticipated allocation of \$14 million in new SCPI funds, will be allocated in line with the SCPI Community Plan objectives;

(3) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450 gross, \$0 net for the Housing Allowance component of the Canada-Ontario Affordable Housing Program;

- (4) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000 gross, \$0 net conditional upon receipt of provincial grants and subsidies for the Strong Communities Housing Allowance Program - Toronto Pilot;**
- (5) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,815,468 gross, \$0 net for new and/or enhanced homelessness/housing initiatives funded from the proceeds of the sale of the former Princess Margaret Hospital;**
- (6) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,865 gross, \$0 net to administer the 110 Edward Street and Wychwood Green/Arts Barn projects under the Strong Start Program – Rental and Supportive Housing Component and that one temporary position be added for this purpose;**
- (7) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be reduced by \$1,172,700 gross and \$0 net, primarily to reflect one-time funding in 2005 not continuing into 2006; and**
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”**

Subject to the following amendment by the Policy and Finance Committee:

“That City Council adopt Recommendations (1), (2) and (4) contained in the report (December 13, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “Update on the Rent Bank and Analysis of Administrative Costs”:

“It is recommended that:

- “(1) a one-time allocation of up to \$50,000.00 to Neighbourhood Information Post be approved from the 2006 City of Toronto Homelessness Initiatives Fund to cover the anticipated shortfall in administration costs of the provincial rent bank program, subject to the 2006 Operating Budget process;**
- (2) Council request the Ministry of Municipal Affairs and Housing to commit to ongoing funding for the provincial component of the rent bank program, including an increase in administrative funding to reflect the actual cost of delivering the program; and**

- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”**

Social Development, Finance and Administration:

- (26) the 2006 BAC Recommended Operating Budget for Social Development, Finance and Administration of \$32.808 million gross and \$21.299 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Administration and Program Support	14,910.0	8,739.7
Community Resources	7,101.3	1,963.1
Customer and Business Support	<u>10,796.5</u>	<u>10,596.5</u>
Total Program Budget	<u><u>32,807.8</u></u>	<u><u>21,299.3</u></u>

- (27) Youth Employment and Local Leadership (YELL) Program, with an addition of 1.0 staffing position, be approved subject to Federal subsidy for \$1.958 million gross and \$0 net;**

- (28) the staff recommendations in the Recommendations Section of the report (December 20, 2005) from the Executive Director, Social Development, Finance and Administration, entitled “YouthAction-Youth Safety Project”, as recommended by the the Community Services Committee, be adopted:**

- “(1) the Executive Director be authorized to enter into an agreement with the Department of Justice to receive one-time funds in an amount not to exceed \$124,402.00 as the project costs for the YouthAction-Youth Safety Project;**
- (2) the Social Development, Finance and Administration 2006 proposed operating budget be adjusted by an increase of \$124,402.00 gross, zero net;**
- (3) the Executive Director be authorized to enter into agreements with East Scarborough Boys and Girls Club and Native Child and Family Services for the delivery of the “YouthAction-Youth Safety Project”; and**
- (4) the appropriate City Officials be authorized and directed to take the necessary action to effect thereto;”.**

Subject to the following amendment by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

“(E) endorse the following new and enhanced requests for youth programs and services, in principle, and refer them to staff for inclusion in inter-governmental discussions regarding the Ontario Youth Challenge Fund, Youth Opportunities Fund and other applicable Provincial Funds:

- Earthkeepers Program;**
- Young Women’s Clubs;**
- Youth Leadership Programs;**
- Youth Councils in Community Centres;**
- Apprenticeship “Training in the Trades”;**
- Camp Isuma Adventure and Wilderness Camp; and**
- Urban Farm; and**

that Council’s lead on Youth Issues and appropriate staff meet with the administrators of the two funds to advocate support for these initiatives.”

Subject to the following amendment by the Policy and Finance Committee:

“That:

- (1) \$25,000 in funding from Social Development Canada be received and utilized for the Ryerson/City of Toronto advocacy training program for members of the Toronto Seniors Forum; and**
- (2) the 2006 BAC Recommended Operating Budget for Social Development, Finance and Administration be increased by \$25,000.00 gross and \$0 net on a one time basis.”**

Social Services:

- (29) the 2006 BAC Recommended Operating Budget for Social Services of \$1,036.472 million gross and \$277.426 million net, comprised of the following services, be approved:**

Service	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Program Support	11,122.6	5,868.9
Social Assistance	1,025,349.2	271,557.4
Total Program Budget	1,036,471.8	277,426.3

- (30) the General Manager of Social Services report to the Policy and Finance Committee on actual year-to-date monthly caseload with possible revisions to the 2006 recommended average caseload estimate of 75,000; and
- (31) City Council request the Province of Ontario to:
- (a) immediately recognize the actual cost of community services, including \$23.2 million for Ontario Works Cost of Administration;
 - (b) immediately assume the full \$168 million cost of the provincial Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) program in Toronto; and
 - (c) Commit to working with the City of Toronto toward the uploading of costs for Social Housing and Ontario Works.

Tourism:

- (32) the 2006 BAC Recommended Operating Budget for Tourism of \$8.978 million gross and \$5.236 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Special Events	7,179.5	3,837.6
Tourism Development and Research	1,204.0	804.0
Toronto International	594.0	594.0
	<hr/>	<hr/>
Total Program Budget	8,977.5	5,235.6
	<hr/>	<hr/>

- (33) 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; and
- (34) funding for 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.

3-1-1 Customer Service Strategy:

- (35) the 2006 BAC Recommended Operating Budget for 3-1-1 Customer Service Strategy of \$0.615 million gross and \$0.390 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Project Management Office	615.3	389.1
Total Program Budget	615.3	389.1

Citizen Centred Services – B

Building Services:

- (36) the 2006 BAC Recommended Operating Budget for Building Services of \$39.276 million gross and (\$11.547) million net, comprised of the following service be approved:

Service:	Gross (\$000s)	Net (\$000s)
Building Services	39,276.0	(11,546.7)
Total Program Budget	39,276.0	(11,546.7)

- (37) the Chief Building Official and Executive Director of Building Services assess the workloads and needs of the Division and report back prior to the 2007 Budget process on a long-term strategy for processing Building Permit applications within the legislated timeframes under Bill 124 and the new application review requirements under the *Brownfield's Statute Law Amendment Act*;
- (38) the Chief Building Official and Executive Director of Building Services monitor the building permit fees collected during 2006 and report back to the Budget Advisory Committee as part of the 2007 Budget process addressing whether the 4.6 percent Building Permit Fee increase was sufficient to achieve cost recovery, as authorized under the *Building Code Act*; and
- (39) Council support the inter-divisional initiative to examine ways of organizing and operating the City's inspections and enforcement responsibilities with a view to maximizing the City's enforcement capacity and request that the project sponsor, Deputy City Manager Fareed Amin, report to the Planning and Transportation Committee on the progress made and recommended next steps as part of the 2007 Budget cycle.

Business Support Services:

- (40) the 2006 BAC Recommended Operating Budget for Business Support Services of \$10.341 million gross and \$9.241 million net, comprised of the following service be approved:

Service:	Gross (\$000s)	Net (\$000s)
Business Support Services	<u>10,340.7</u>	<u>9,240.6</u>
Total Program Budget	<u><u>10,340.7</u></u>	<u><u>9,240.6</u></u>

City Planning:

- (41) the 2006 BAC Recommended Operating Budget for City Planning of \$31.939 million gross and \$13.195 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
City Planning	<u>31,938.6</u>	<u>13,195.1</u>
Total Program Budget	<u><u>31,938.6</u></u>	<u><u>13,195.1</u></u>

- (42) the staff recommendations (1), (2), (3), (4), (5) and (7) contained in the Recommendations Section of the report (November 18, 2005) from the Deputy City Manager, Fareed Amin, entitled “2006 Development Application Fee Increases”, as recommended by the Planning and Transportation Committee and Works Committee, be adopted:

“(1) Community Planning application fees be increased by 18.2 percent on April 1, 2006, in order to recover 100 percent of the 2006 Base Budget costs of the City Planning Division associated with the development review process and to fund the continuation of the full time staff required in the Technical Services and Parks, Forestry, and Recreation divisions for the processing of applications and the on-going design, coordination and implementation of improvements to the planning application review process, as well as fund the 2006 new requests for 4 site plan administrators, the cost of an outside consultant to refine the determination of the full cost of processing planning applications and the costs to improve the planning process;

- (2) Committee of Adjustment fees continue to be subject to cost of living increases only, as currently determined by the amount of the percentage increase in the All Items Index of the Consumer Price Index for the Toronto Census Metro Area, published by Statistics Canada during the 12 month period ending October 1, as set out in Section 441-11 of the Toronto Municipal Code;**
- (3) Engineering fees for subdivision applications be increased from 3 percent of municipal infrastructure cost to 5 percent of municipal infrastructure cost effective April 1, 2006;**
- (4) Engineering fees for site plan and rezoning applications be introduced in the amount of 5 percent of municipal infrastructure cost effective April 1, 2006;**
- (5) the Deputy City Manager report to the Planning and Transportation Committee and the Works Committee prior to the 2007 budget process on a phased approach to increasing community planning and other development application process fees in the future that will allow for full cost recovery for all application processing related costs; and**
- (7) the City Solicitor be directed to prepare the necessary bills to give effect to these recommendations, to be effective April 1, 2006.”**

subject to deleting Part (ii) of the Committees’ recommendations:

- “(ii) the professional facilitators for community consultation meetings, referred to in section 4.3 of the report from Deputy City Manager Fareed Amin, be hired in conjunction with the Affordable Housing Office.”**
- (43) the staff recommendations (1), (2), (3), (4), (5) and (7) contained in the Recommendations Section of the report (February 13, 2006) from the Chief Planner and Executive Director of City Planning, entitled “Specifics of the Initial Lights Out Toronto Campaign To Raise Awareness of the Spring and Fall Migratory Bird Seasons”, be adopted:**
 - “(1) City Council adopt the pilot program for a “ Lights Out Toronto” campaign to run twice in 2006, corresponding with the spring and fall migratory seasons, that advocates and encourages the turning off of lighting, when not needed, through ads on TTC vehicles, brochures and other effective advertising media;**
 - (2) City Council authorize the acceptance of third party contributions to be used to undertake the “ Lights Out Toronto” public awareness campaign from migratory bird stakeholders and partners including Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors;**

- (3) City Council authorize the entering of an agreement with the Canadian Wildlife Service in order to accept their third party donation of \$15.0 thousand to be used for the “ Lights Out Toronto Campaign”;**
- (4) the Chief Planner and Executive Director, City Planning, when reporting back as requested in one year’s time on progress made including a review of daytime strikes and the investigation of light pollution policies and by-laws enacted in other jurisdictions, that such report also include a review of the success of the 2006 “Lights Out Toronto” pilot program and the involvement and role of the City in subsequent “Lights Out Toronto” campaigns;**
- (5) the 2006 Proposed Operating Budget for City Planning be increased by \$40,000, offset by revenue from third party contributions for an equal amount, for a \$0 net impact on the 2006 Proposed Operating Budget; and spending authority be contingent upon receipt of all third party funding required to complete the project; and**
- (7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”; and**

Subject to the following amendments by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

(B) amending Recommendation (43) as follows:

“(43) the staff recommendations contained in the Recommendations Section of the report (February 13, 2006) from the Chief Planner and Executive Director of City Planning, entitled ‘Specifics of the Initial Lights Out Toronto Campaign to Raise Awareness of the Spring and Fall Migratory Bird Seasons’, be adopted subject to:

(i) amending Recommendation (2) to read:

‘(2) City Council authorize the acceptance of third party contributions to be used to undertake the ‘Lights Out Toronto’ public awareness campaign from migratory bird stakeholders and partners including Building Owners and Managers Association (BOMA), Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors; and’

(ii) inserting a new Recommendation (4) as follows:

‘(4) authority be granted to include the logos of BOMA, Toronto Hydro, Canadian Wildlife Service and FLAP on promotional materials for the “Lights Out Toronto” campaign;’ and

(iii) renumbering the remaining recommendations accordingly;”

so that the recommendations now read:

- “(1) City Council adopt the pilot program for a ‘Lights Out Toronto’ campaign to run twice in 2006, corresponding with the spring and fall migratory seasons, that advocates and encourages the turning off of lighting, when not needed, through ads on TTC vehicles, brochures and other effective advertising media;**
- (2) City Council authorize the acceptance of third party contributions to be used to undertake the ‘Lights Out Toronto’ public awareness campaign from migratory bird stakeholders and partners including Building Owners and Managers Association (BOMA), Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors;**
- (3) City Council authorize the entering of an agreement with the Canadian Wildlife Service in order to accept their third party donation of \$15.0 thousand to be used for the ‘Lights Out Toronto Campaign’;**
- (4) authority be granted to include the logos of BOMA, Toronto Hydro, Canadian Wildlife Service and FLAP on promotional materials for the ‘Lights Out Toronto’ campaign**
- (5) the Chief Planner and Executive Director, City Planning, when reporting back as requested in one year’s time on progress made including a review of daytime strikes and the investigation of light pollution policies and by-laws enacted in other jurisdictions, that such report also include a review of the success of the 2006 “Lights Out Toronto” pilot program and the involvement and role of the City in subsequent “Lights Out Toronto” campaigns;**
- (6) the 2006 Proposed Operating Budget for City Planning be increased by \$40,000, offset by revenue from third party contributions for an equal amount, for a \$0 net impact on the 2006 Proposed Operating Budget; and spending authority be**

contingent upon receipt of all third party funding required to complete the project; and

(7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”

(44) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget process on the achievements of the one-window approach to the collection of fees under the Development Application Review Project 2006 work plan.

Clean and Beautiful City Secretariat:

(45) the 2006 BAC Recommended Operating Budget for the Clean and Beautiful City Secretariat of \$0.317 million gross and net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Clean and Beautiful City Secretariat	317.3	317.3
Total Program Budget	317.3	317.3

(46) the Deputy City Manager responsible for the Clean and Beautiful City Secretariat:

- (a) be requested to fill one Project Officer position by secondment to support the Neighbourhood Beautification Program in 2006; and
- (b) report to the Budget Advisory Committee prior to the 2007 Budget process on the status and budget implications of the Clean and Beautiful City Secretariat for 2007; and

(47) the following motion (1) in the communication (January 24, 2006) from Deputy Mayor Sandra Bussin, Chair, be referred back to the Roundtable on a Beautiful City for further consideration:

“(1) that the City reconsider the 2 percent parks levy in commercial and industrial developments and that money be dedicated exclusively towards ravine restoration.”

Fire Services:

(48) the 2006 BAC Recommended Operating Budget for Fire Services of \$314.209 million gross and \$306.081 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Fire-Operations	251,106.0	244,544.1
Fire Prevention and Public Safety	12,321.4	12,021.4
Communications and Operational Support	25,914.3	25,423.2
Professional Develop. and Mechanical Support	21,540.5	20,866.3
Fire – Headquarters	3,326.7	3,226.4
Total Program Budget	314,208.9	306,081.4

Note: The 2006 BAC Recommended Operating Budget for Fire Services excludes potential Collective Agreement salary and benefit increases.

- (49) increases in false alarm fees be approved consistent with the schedule of charging for false alarms at the second emergency call instead of at the third emergency call in a two month or yearly period, which ever comes first, and that staff be authorized to amend the bylaw as required;
- (50) the 2006 Operating Budget of Shelter, Support and Housing Administration be increased in order to offset charges to Toronto Community Housing Corporation for False Alarm Fee Changes in the amount of \$0.828 million gross and net, and
- (51) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee prior to the 2007 Budget process on the progress of discussions with the Provincial government on the recovery of Toronto Fire Services' costs in providing highway assistance in emergency situations.

Subject to the following amendment by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

- (1) “(A) adjusting the Fire Services’ 2006 Budget Advisory Committee Recommended Operating Budget to include the July 2005 Council approved buy-out of Bunker Suits and that a one-time amount of \$3,002,589 gross be added to Fire Services Communication and Operational Support to be funded from the Capital Financing Reserve Fund for a \$0 net impact;.”; and
- (2) “that Council receive the recommendations contained in the communication (March 8, 2006) from the Community Services Committee, entitled “Increased Charges for Nuisance and Malicious False Fire Alarms”:

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council receive the report (December 19, 2005) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager, entitled “Increased Charges for Nuisance and Malicious False Fire Alarms”.

It is recommended that:

- (1) Municipal Code Chapter 441- Fees be amended to require Owners to pay a fee for the second and subsequent malicious false alarms, in respect of the same address, per year, per fire vehicle dispatched and to require Owners to pay a fee for the second and subsequent nuisance false alarms, in respect of the same address, per two-month period, per fire vehicle dispatched;
- (2) authorization be given to add two Accounting Assistant 2 positions to the establishment at a cost for salaries and benefits of \$68,724.00 each, plus associated equipment and supplies of \$6,000.00 for both and mailing costs of approximately \$3,575.00 on an annual basis for a total annual cost of approximately \$147,023.00; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Municipal Licensing and Standards:

- (52) the 2006 BAC Recommended Operating Budget for Municipal Licensing and Standards of \$28.822 million gross and \$4.541 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Municipal Licensing and Standards	28,821.5	4,540.7
Total Program Budget	28,821.5	4,540.7

- (53) the funding for the 2 new requests for the by-law enforcement component of “Multi-Unit Residential Waste Reduction Levy” and “Mandatory Waste Diversion By-Law of Single Family Residences” be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;

- (54) the Deputy City Manager responsible for Solid Waste Management Services and Municipal Licensing and Standards report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 Budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to Municipal Licensing and Standards;
- (55) the Deputy City Manager responsible for Municipal Licensing and Standards, continue to review functions within Municipal Licensing and Standards, Building Services, and City Planning to find ways to integrate initiatives and report back prior to the 2007 Budget process on any resultant savings and service improvements realized; and
- (56) the Executive Director of Municipal Licensing and Standards monitor enforcement costs of licenses and report back to the Budget Advisory Committee prior to the 2007 Budget process addressing whether the licensing fee increase was sufficient to address 100 percent cost recovery for enforcement, as authorized under the *Municipal Act*.

Solid Waste Management Services:

- (57) the 2006 BAC Recommended Operating Budget for Solid Waste Management Services of \$230.076 million gross and \$174.841 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Support	32,987.1	17,185.1
Collection	94,671.5	91,491.3
Transfer	24,221.2	12,493.4
Processing	31,148.6	9,095.9
Disposal	47,048.0	44,574.9
Total Program Budget	<u>230,076.4</u>	<u>174,840.6</u>

- (58) the General Manager, Solid Waste Management Services report back to the Works Committee in March 2006 with respect to emerging issues that have costs/risks associated with the potential border closing to Toronto's waste and contract renegotiations;
- (59) the funding for the 2 new requests for the by-law enforcement component of "Multi-Unit Residential Waste Reduction Levy" and "Mandatory Waste Diversion By-Law of Single Family Residences" be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back

to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;

- (60) the General Manager, Solid Waste Management Services, report back to the Works Committee in March 2006 with the implications of how Council decisions that have been made since June 2005 may have an impact on the Program's ability to meet the 2008 to 2012 Diversion targets and time lines, as outlined in its Council-approved Business Plan (approved in June 2005), as well as the financial impacts of these decision on the City;**
- (61) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 Budget process on the total integrated bylaw enforcement component including the resources transferred from Solid Waste Management Services to Municipal Licensing and Standards; and**
- (62) the staff recommendations in the Recommendations Section of the report (February 1, 2006) from the Deputy City Manager, and the Deputy City Manager and Chief Financial Officer, entitled "Adequacy of Solid Waste Management Perpetual Care Reserve Fund", be adopted:**
 - "(1) should there be a surplus in the 2005 Solid Waste Management Services operating program, the Deputy City Manager and Chief Financial Officer report on whether any or all of this surplus should be transferred to the Solid Waste Management Perpetual Care Reserve Fund;**
 - (2) the planned 2006 Solid Waste Management Services operating program contribution to the Solid Waste Management Perpetual Care Reserve Fund be deferred and a contribution of up to \$3,435,000.00 be included in the 2007 Solid Waste Management Services operating budget submission; and**
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto."**

Transportation Services:

- (63) the 2006 BAC Recommended Operating Budget for Transportation Services of \$285.521 million gross and \$187.649 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Roadway Services	128,510.6	91,443.2
Roadside Services	57,349.9	23,633.5
Traffic Planning / Row Mgmt	11,173.5	(6,383.5)
Traffic and Safety Services	49,556.9	45,331.9
Infrastructure Management	14,961.4	12,555.4
District Mgmt and Overhead	1,263.4	(1,636.6)
Technical and Program Support	22,705.2	22,705.2
Total Program Budget	285,520.9	187,649.1

- (64) the General Manager, Transportation Services be requested to ensure that outcomes with respect to the Sidewalk Repair Backlog and Mechanical Street Sweeping are standardized across the City; and
- (65) the General Manager of Transportation Services report to the Budget Advisory Committee, prior to the 2007 Budget process, on the success of the expanded Red Light Camera initiative.

Technical Services:

- (66) the 2006 BAC Recommended Operating Budget for Technical Services of \$60.585 million gross and \$4.897 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Facilities and Structures	8,837.8	6,672.6
Survey and Mapping	17,924.0	6,825.1
Environmental Services	2,297.3	2,256.0
Development Engineering	5,424.9	3,279.9
District Engineering	18,417.0	7,954.5
Office of Emergency Management	2,286.1	1,633.2
Program Administration	587.5	587.5
Support Services	4,810.8	4,810.8
Inter-Divisional Charges		(29,123.0)
Total Program Budget	60,585.4	4,896.6

- (67) the new service request for the Delivery of Green Toronto Awards Program be approved, and that the 2006 required funding of \$0.060 million gross and net be absorbed within the Technical Services' 2006 BAC Recommended Operating Budget; and
- (68) any adjustments made through the political review process for Technical Services be made in Technical Services' clients' operating budgets after Council approval of the 2006 Operating Budget.

Waterfront Secretariat:

- (69) the 2006 BAC Recommended Operating Budget for the Waterfront Secretariat of \$0.994 million gross and \$0.827 million net for the following service, be approved.

Service:	Gross (\$000s)	Net (\$000s)
Waterfront Secretariat	993.5	826.8
Total Program Budget	993.5	826.8

- (70) the required 2006 funding of \$0.047 million included in the 2006 BAC Recommended Operating Budget for the Waterfront Secretariat for a temporary Technical Co-ordinator position, be funded from within the 2006 Approved cash flow for the Waterfront Revitalization Initiative Capital Budget; and that the 2007 incremental impact of \$0.033 million be funded from within the projected cash flow for the Waterfront Revitalization Capital Budget in 2007.

Internal Services

Office of the DCM and Chief Financial Officer:

- (71) the 2006 BAC Recommended Operating Budget for the Office of the DCM and Chief Financial Officer of \$16.886 million gross and \$13.439 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Support Services	1,340.2	1,173.9
Corporate Finance	3,537.0	1,449.4
Financial Planning	4,601.5	3,759.0
Special Projects	447.4	447.4
Service Improvement and Innovation	6,959.8	6,609.2
Total Program Budget	16,885.9	13,438.9

Office of the Treasurer:

- (72) the 2006 BAC Recommended Operating Budget for the Office of the Treasurer of \$63.152 million gross and \$30.862 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Pension, Payroll and Employee Benefits	11,251.8	9,645.1
Purchasing and Materials Management	8,342.5	6,630.2
Accounting Services	11,113.8	8,777.0
Revenue Services	32,444.2	5,810.0
Total Program Budget	63,152.3	30,862.3

Corporate Communications:

- (73) the 2006 BAC Recommended Operating Budget for Corporate Communications of \$7.190 million gross and \$6.943 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Public Information	2,464.1	2,458.0
Creative Services	2,092.9	2,032.9
Corporate Communications and Media Services	2,632.5	2,452.5
Total Program Budget	7,189.5	6,943.4

- (74) the Corporate Communications Clean and Beautiful funding in the amount of \$125.0 thousand for the Clean and Beautiful initiative be absorbed within the Communications Budgets for Solid Waste Management Services (\$41,667), Transportation Services (\$41,666) and Parks, Forestry and Recreation (\$41,466); and that these amounts be shown as recoveries to the Corporate Communications 2006 Operating Budget, resulting in a net reduction of \$125,000 in the Corporate Communications Budget and no net change to Solid Waste Management Services, Transportation Services and Parks, Forestry and Recreation.

Facilities and Real Estate:

- (75) the 2006 BAC Recommended Operating Budget for Facilities and Real Estate of \$116.478 million gross and \$51.893 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Facilities	103,238.2	63,762.8
Real Estate	13,240.1	(11,869.7)
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Total Program Budget	116,478.3	51,893.1
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Fleet Services:

- (76) the 2006 BAC Recommended Operating Budget for Fleet Services of \$34.697 million gross and \$0 net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Fleet Operations	22,406.0	0.0
Fuel Operation	8,183.7	0.0
Fleet Safety	1,086.9	0.0
Asset Management	3,020.8	0.0
	<hr/>	<hr/>
Total Program Budget	34,697.4	0.0
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Information and Technology:

- (77) the 2006 BAC Recommended Operating Budget for Information and Technology of \$51.109 million gross and \$42.523 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Applications Delivery	15,129.2	13,271.3
Desktop Computing	31,667.9	25,577.6
Land Information	3,175.2	2,960.4
Voice and Telecommunications	1,136.3	713.4
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Total Program Budget	51,108.6	42,522.7
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City Manager:

City Manager's Office:

- (78) the 2006 BAC Recommended Operating Budget for the City Manager's Office of \$6.533 million gross and \$6.001 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Executive Management	1,640.1	1,640.1
Strategic and Corp. Policy/Healthy City Office	3,926.5	3,926.5
Internal Audit	966.1	434.6
Total Program Budget	<u>6,532.7</u>	<u>6,001.2</u>

Human Resources:

- (79) the 2006 BAC Recommended Operating Budget for Human Resources of \$29.645 million gross and \$27.810 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Employment Services	9,228.3	8,863.1
Organizational Behaviour	1,957.4	1,957.2
Employee and Labour Relations	4,081.5	3,853.6
Departmental Services	14,116.4	12,889.5
Fair Wage and Labour Trade Office	261.4	246.8
Total Program Budget	<u>29,645.0</u>	<u>27,810.2</u>

- (80) the Director of Human Resources report back to the Budget Advisory Committee on Human Resources' restructuring implementation prior to the 2007 Budget process.

Other City Programs

City Clerk's Office:

- (81) the 2006 BAC Recommended Operating Budget for the City Clerk's Office of \$47.005 million gross and \$28.955 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Secretariat	7,660.5	7,129.4
Records and Information Management	21,873.6	9,192.5
Council and Support Services	2,425.5	1,890.5
Corporate Access and Privacy	1,604.2	1,554.2
Elections and Registry Services	11,900.8	7,647.1
Protocol	1,540.8	1,540.8
Total Program Budget	47,005.4	28,954.5

- (82) the City Clerk report to the Administration Committee before the start of the 2007 Budget process on the operational impact on the City Clerk's Office arising from the new City of Toronto Act, the new governance structure for the City, and governance issues reported by the Bellamy Commission, and any financial implications and impact from these changes;
- (83) the staff recommendations (1), (2) and (4) in the Recommendations Section of the report (November 4, 2005) from the City Clerk and Chief Corporate Officer entitled "Status Report on Maintaining Services at East York Civic Centre," as recommended by the Administration Committee, be adopted:
- "(1) that the intake of documents and payments for City Clerk's Office, Registry Services functions be assumed by Revenue Services Division immediately;
 - (2) that the reception and information services at East York Civic Centre, currently provided by Access Toronto, be assumed by the Revenue Services Division, once renovations to the building have been completed in the New Year (2006); and
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect hereto including the introduction of any necessary bills,";

Subject to the following amendment by the Policy and Finance Committee:

"That program recommendation (83) be amended by deleting recommendation (2) and replacing it with the following:

"(2) that the in-person Access Toronto reception and information services at the East York Civic Centre be retained until such time as city-wide in-person Access Toronto services are reviewed as part of the 3-1-1 Customer Service Plan and submitted to Council for approval;"

- (84) the staff recommendations (3), (4), (5) and (6) in the Recommendations Section of the report (December 14, 2005) from the City Clerk entitled “Establishing New Committees and Advisory Bodies – Resource Impact and Compliance with Section 108 of Council’s Procedure By-law”, be adopted;**
- “(3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;**
- (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:**
- (i) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;**
 - (ii) confirming the availability of resources to provide meeting support services; and**
 - (iii) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;**
- (5) following adoption of policy contained in recommendation (4), the City Clerk’s Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement; and**
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”**
- (85) the staff recommendation (2) in the Recommendations Section of the report (December 14, 2005) from the City Clerk be received:**
- “(2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk’s Office 2006 Operating Budget;”**
- (86) the City Clerk’s Office cease to provide secretariat support to the following committees, effective May 1, 2006:**
- (a) Task Force to Bring Back the Don;**
 - (b) Aboriginal Affairs Committee;**

- (c) **Disability Issues Committee;**
- (d) **Food and Hunger Action Committee;**
- (e) **Tenant Defence Sub-committee;**
- (f) **Advisory Committee for Homes for the Aged;**
- (g) **Toronto Centre for the Arts Board of Directors;**
- (h) **Steeles Avenue Sub-committee;**
- (i) **Works Committee Community Partnership Sub-Committee;**
- (j) **Parc Downsview Park Operating Protocol Committee; and**
- (k) **Gardiner Lake Shore Corridor Task Force;**

and that appropriate divisional program staff provide secretariat support to those committees effective May 1, 2006;

Subject to the following amendment by the Policy and Finance Committee:

“That Recommendation (86) be deleted and the City Manager and the City Clerk be requested to report to the Policy and Finance Committee on how Secretariat Support should be provided to the following Committees:

- (a) **Task Force to Bring Back the Don;**
- (b) **Aboriginal Affairs Committee;**
- (c) **Disability Issues Committee;**
- (d) **Food and Hunger Action Committee;**
- (e) **Tenant Defence Sub-committee;**
- (f) **Advisory Committee for Homes for the Aged;**
- (g) **Toronto Centre for the Arts Board of Directors;**
- (h) **Steeles Avenue Sub-committee;**
- (i) **Works Committee Community Partnership Sub-Committee;**
- (j) **Parc Downsview Park Operating Protocol Committee; and**
- (k) **Gardiner Lake Shore Corridor Task Force;**
- (l) **the Toronto Island Airport Community Advisory Committee;**

and in the meantime secretariat services continue to be provided to these Committees by the City Clerk's Office.

- (87) the City Clerk's Office continue to provide secretariat support services to the following committees:
- (a) Mayor's Economic Competitiveness Advisory Committee;
 - (b) Affordable Housing Committee;
 - (c) Community Partnership and Investment Program Appeals Sub-committee; and
 - (d) Bellamy Recommendations Steering Committee;
- (88) City Council request the Provincial Government to:
- (a) compensate the loss of revenue in gaming and bingo to the City of Toronto, including individual charities, and
 - (b) under the new City of Toronto Act, give authority to conduct a City of Toronto lottery to offset loss of revenues; and
- (89) the following recommendation be referred to the Council Procedures and Meeting Management Working Group:
- “The City Clerk be requested to include in the ongoing review of Council Procedures a requirement that all Notices of Motion submitted to City Council only be considered if they meet the regular agenda deadline (5 business days before the meeting).”

Legal Services:

- (90) the 2006 BAC Recommended Operating Budget for Legal Services of \$28.585 million gross and \$18.323 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Municipal Law	5,206.5	2,882.0
Litigation	4,943.7	3,146.2
Administration	1,520.5	1,283.5
Planning	4,349.2	3,377.1
Real Estate	4,398.2	3,809.9
Employment Law	2,217.3	2,167.3
Prosecutions	5,949.3	1,657.3
Total Program Budget	28,584.7	18,323.3

- (91) the staff recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (October 31, 2005) from the Treasurer and City Solicitor, entitled: “2006 Operating Budget Request – Additional Staff Resources to Manage Assessment and Taxation Issues”, as recommended by the Administration Committee, be adopted;
- “(1) gross expenditures of \$476,900 (to cover the cost of five additional staff for Revenue Services and an inter-department charge from Legal Services for one additional solicitor) be included in the Revenue Services Division’s 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from the City’s Non-Program Tax Deficiency Budget resulting in a net expenditures of \$0.00 for the Revenue Services Division;
- (2) gross expenditure of \$92,000.00 (to cover the cost of one staff for Legal Services) be included in the Legal Services Division’s 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from Revenue Services resulting in a net expenditure of \$0.00 for the Legal Services Division;
- (3) an inter-divisional charge of \$476,900 be included in the 2006 Operating Budget Estimates for Non-Program Tax Deficiency Budget to fund the expenditures noted above;
- (4) the 2006 Operating Budget Estimates for the Non-Program Tax Deficiency Budget be reduced by \$2.5 million, provided the Revenue Services Division Operating Budget for 2006 is increased by the requested \$476,900.00; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”
- (92) the staff recommendations (1) and (3) in the Recommendations Section of the report (November 2, 2005) from the City Solicitor, entitled: “2006 Operating Budget Request - Converting Two Litigation Solicitors’ Positions from Temporary to Permanent, as recommended by the Administration Committee, be adopted;
- “(1) the two litigation solicitor positions be converted from temporary to permanent; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”
- (93) the City Solicitor report to the Budget Advisory Committee on the successes of Legal Services in defending the City’s position at the OMB;

- (94) the Planning and Transportation Committee consider requesting the City Solicitor to report on a policy on using outside planners; and
- (95) the City Solicitor report to the Administration Committee on:
- (a) where there is no staff for a Planning or Committee of Adjustment appeal, a two-thirds vote of City Council be required for the City Solicitor or outside counsel to attend an OMB hearing; and
 - (b) any report or any motion requesting the City Solicitor to attend an OMB hearing include costs for both internal and external staff prior to being considered by Council.

Auditor General's Office:

- (96) the 2006 BAC Recommended Operating Budget for the Auditor General's Office of \$3.881 million gross and net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Auditor General's Office	3,880.5	3,880.5
Total Program Budget	3,880.5	3,880.5

Subject to the following amendment by the Policy and Finance Committee:

“That Council receive the following recommendation of the Audit Committee contained in the communication (February 23, 2006) from the Audit Committee, entitled “Auditor General's 2006 Operating Budget Request – Operation of the Fraud and Waste Hotline Program:

“That the Auditor General's 2006 Operating Budget request for two additional audit staff resources, with one of the two additional staff being assigned to the operation of the Fraud and Waste Hotline, be approved.”

Mayor's Office:

- (97) the 2006 BAC Recommended Operating Budget for the Mayor's Office of \$1.888 million gross and net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Mayor's Office	1,888.2	1,888.2
Total Program Budget	1,888.2	1,888.2

City Council:

- (98) the 2006 BAC Recommended Operating Budget for the City Council of \$18.791 million gross and net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Councillors' Salaries and Benefits	4,650.5	4,650.5
Councillors' Staff Salaries and Benefits	10,126.6	10,126.6
Councillors' Office Budget	2,256.4	2,256.4
Councillors' General Expenses	1,557.6	1,557.6
Integrity Commissioner's Office	200.0	200.0
Total Program Budget	18,791.1	18,791.1

Agencies, Boards and Commissions

Public Health:

- (99) the 2006 BAC Recommended Operating Budget for Toronto Public Health of \$210.493 million gross and \$63.926 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Office of MOH	1,178.5	412.5
Planning and Policy	12,161.1	4,226.8
Healthy Families	56,529.1	9,456.3
Communicable Diseases	39,290.7	11,395.8
Healthy Environments	30,217.9	14,699.3
Healthy Living	32,963.9	10,978.4
Dental Services	18,994.1	8,083.1
Support Services	19,157.5	4,673.6
Total Toronto Public Health	210,492.9	63,925.9

(100) the staff recommendations (1), (2) and (4) in the Recommendations Section of the report (January 4, 2006) from the Medical Officer of Health entitled “Public Health Agency of Canada Funding for A Skills Building Workshop: The Impact of Crack Smoking and Crystal Methamphetamine Use on Hepatitis C Transmission of Drug Users in Ontario”, be adopted: and

- “(1) the Medical Officer of Health be authorized to receive up to \$68 thousand of one time 100 percent federal funding to develop a Skills Building Workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine for staff of Ontario Needle Exchange Programs and other relevant staff;**
- (2) an amount of \$68.0 thousand gross and \$68.0 thousand in federal funding revenue be added to the 2006 Toronto Public Health Operating Budget to support the development of the Skills Building Workshop; and**
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”**

Subject to the following amendment by the Budget Advisory Committee:

‘The Budget Advisory Committee:

- (1) received the communication (March 2, 2006) from the Honourable George Smitherman, Minister of Health and Long-Term Care, for information; and**
- (2) requested the Medical Officer of Health and the Deputy City Manager and Chief Financial Officer to report to the Budget Advisory Committee on the service and financial implications of the Province’s announcement to limit 2006 funding growth to 5 percent province-wide on Public Health’s 2006 Operating Budget, once Toronto Public Health receives provincial approval of its 2006 funding request.”**

Subject to the following amendment by the Policy and Finance Committee:

“That City Council adopt Recommendation (1) and (3) contained in the communication (February 27, 2006) from the Board of Health, entitled ‘Ontario Heart Health Partnership Year-End Funding for Active Living and Healthy Eating’:

- (1) an amount of \$79,396 gross expenditure and \$79,396 revenue be added to the 2006 Toronto Public Health Operating Budget for enhancement of nutrition and physical activity programming for children and youth;**

- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”**

Toronto Public Library:

- (101) the 2006 BAC Recommended Operating Budget for Toronto Public Library of \$158.329 million gross and \$144.691 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Library Services	152,845.9	139,408.3
Library Administration	5,482.8	5,282.8
Total Program Budget	158,328.7	144,691.1

Association of Community Centres:

- (102) the 2006 BAC Recommended Operating Budget of \$6.009 million gross and \$5.849 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
519 Church St.	1,022.0	1,022.0
Applegrove	315.7	315.7
Cecil	564.6	564.6
Central Eglinton	471.5	471.5
Community Centre 55	564.4	564.4
Eastview Neighbourhood	425.9	425.9
Harbourfront	973.2	973.2
Ralph Thornton	576.2	536.8
Scadding Court	705.0	705.0
Swansea Town Hall	375.1	255.1
AOCC – General	15.0	15.0
Total Program Budget	6,008.6	5,849.2

- (103) recommendation (2) contained in the communication (November 22, 2005) from the Policy and Finance Committee, entitled “Corporate Support Provided to the Ten City-Funded Community Centres (AOCCs)”, be adopted.**

- “(2) the Executive Director, Social Development and Administration and the General Manager, Parks, Forestry and Recreation be requested to review the status of the Fairbank Community Centre to determine the feasibility of revising its governance and administrative structure to one that parallels that of the Board-run community centres.”; and**
- (104) recommendation (1) contained in the communication (November 22, 2005) from the Policy and Finance Committee, entitled “Corporate Support Provided to the Ten City-Funded Community Centres (AOCCs), be received;**
- “(1) City Council adopt the staff recommendations contained in the Recommendations Section of the report (November 1, 2005) from the Executive Director, Social Development and Administration.”**

Exhibition Place:

- (105) the 2006 BAC Recommended Operating Budget for Exhibition Place of \$47.512 million gross and \$0.335 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Canadian National Exhibition	20,712.9	(797.8)
Exhibition Place	14,097.0	2,025.0
National Trade Centre	12,702.0	(892.0)
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Total Program Budget	47,511.9	335.2
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Heritage Toronto:

- (106) the 2006 BAC Recommended Operating Budget for Heritage Toronto of \$0.670 million gross and \$0.339 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Heritage Programming	267.3	43.3
Advocacy	237.6	234.4
Heritage Fund Development	165.5	61.6
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Total Program Budget	670.4	339.3
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- (107) 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; and
- (108) 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.

Theatres:

- (109) the 2006 BAC Recommended Operating Budget for Theatres of \$29.798 million gross and \$2.867 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Hummingbird Centre for the Performing Arts	22,063.2	98.2
St. Lawrence Centre for the Arts	3,745.4	1,492.1
Toronto Centre for the Arts	3,989.5	1,276.6
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Total Program Budget	29,798.1	2,866.9
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- (110) funding in the amount of \$1.714 million be provided from the Hummingbird Capital Reserve Fund (XR 3003) for state of good repair maintenance for 2006; and
- (111) funding in the amount of \$0.417 million be provided from the Toronto Centre for the Arts Capital Reserve Fund (XR 3007) for state of good repair maintenance for 2006.

Toronto Zoo:

- (112) the 2006 BAC Recommended Operating Budget for Toronto Zoo of \$37.444 million gross and \$11.691 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Biology and Conservation	10,223.9	9,713.5
Marketing and Communications	10,112.9	602.6
Administrative and Site Services	15,479.1	15,100.2
General Management	1,092.2	1,056.3
Animal and Endangered Species	536.0	0.0
Revenue and Recoveries	0.0	(14,781.5)
Total Program Budget	37,444.1	11,691.1

(113) **\$1.321 million of the Toronto Zoo's OMERS contribution holiday savings be applied to the following:**

- (a) **\$0.785 million to fund the Job Evaluation component of the CUPE settlement for the duration of the contract from 2005-2009;**
- (b) **\$0.400 million to replenish the Animal Transaction Reserve;**
- (c) **a contribution of \$0.136 million to the Zoo Stabilization Reserve; and**

that future application of the job evaluation component of the OMERS savings be reviewed on a yearly basis to ascertain the need for this funding source;

(114) **the General Manager and CEO of the Toronto Zoo investigate industry best practices for enhancing visitor levels and report to the Zoo Board of Management and the Budget Advisory Committee by June 2006;**

(115) **the General Manager and CEO of the Toronto Zoo explore alternative revenue streams and other income sources for augmenting its current funding base and report to Budget Advisory Committee prior to the 2007 Operating Budget process; and**

(116) **the General Manager and CEO of the Toronto Zoo report to the Budget Advisory Committee if total 2006 revenues exceed budgeted amounts, to seek approval for these funds to be applied to any outstanding accreditation concerns.**

Arena Boards of Management:

(117) **the 2006 BAC Recommended Operating Budget for Arena Boards of Management of \$5.674 million gross and \$0.120 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
George Bell Arena	445.1	20.2
William H. (Bill) Bolton Arena	723.0	0.0
Larry Grossman Forest Hill Memorial Arena	869.5	(1.0)
Leaside Memorial Community Gardens	908.9	92.8
McCormick Playground Arena	600.6	(0.1)
Moss Park Arena	660.4	(0.4)
North Toronto Memorial Arena	724.3	(0.9)
Ted Reeve Community Arena	742.4	9.4
Total Program Budget	5,674.2	119.9

Yonge-Dundas Square:

- (118) the 2006 BAC Recommended Operating Budget for Yonge-Dundas Square of \$1.072 million gross and \$0.583 million net, comprised of the following service, be approved:

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

Parking Tag Enforcement and Operations:

- (119) the 2006 BAC Recommended Operating Budget for Parking Tag Enforcement and Operations of \$43.218 million gross and (\$37.397) million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Parking Enforcement Unit	33,299.0	32,684.0
Parking Revenue Processing	8,950.8	8,950.8
Court Services – Judicial Processing of Parking Tickets	968.0	968.0
Parking Tag Revenue		<u>(80,000.0)</u>
Total Program Budget	43,217.8	(37,397.2)

- (120) the Chair of the Toronto Police Services Board, in consultation with the Deputy City Manager and Chief Financial Officer, report to the Administration Committee in 2007 on the operational and financial impacts of the implementation of handheld parking devices.

Toronto Atmospheric Fund:

- (121) the 2006 BAC Recommended Operating Budget for the Toronto Atmospheric Fund of \$2.296 million gross and \$0.000 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Toronto Atmospheric Fund	2,295.6	0.0
Total Program Budget	2,295.6	0.0

Toronto and Region Conservation Authority:

- (122) the 2006 BAC Recommended Operating Budget for Toronto and Region Conservation Authority of \$33.979 million gross and \$3.010 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Corporate Services	5,258.8	2,341.1
Watershed Health	17,350.3	2,486.5
Watershed Experience	9,832.6	1,696.0
Rouge Park Interim Management	1,537.7	82.9
Sub-total	33,979.3	6,605.5
Contribution from Wastewater Capital Reserve Fund		(3,596.7)
Total Program Budget	33,979.3	3,009.8

- (123) the contribution toward the Toronto and Region Conservation Authority 2006 Recommended Operating Budget from the Wastewater Capital Reserve Fund be increased from the 2005 level of \$3.393 million to \$3.597 million in 2006, an increase of \$0.204 million or 6 percent over the 2005 level; and

- (124) the General Manager of Toronto Water and the Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee before July 2006 on a consistent approach to the contribution from the Wastewater Capital Reserve Fund to the Toronto and Region Conservation Authority Operating Budget.

Toronto Transit Commission – Conventional:

- (125) the 2006 BAC Recommended Operating Budget for Toronto Transit Commission Conventional System of \$1,037.992 million gross and \$246.307 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Conventional	<u>1,037,991.9</u>	<u>246,306.5</u>
Total Program Budget	<u>1,037,991.9</u>	<u>246,306.5</u>

- (126) the Toronto Transit Commission (Conventional System) be requested to report back to the Budget Advisory Committee to determine the final disposition of the funds totaling \$10.060 million for the Ontario Health Premium payments for 2005 and 2006;
- (127) the 2006 provision (Conventional System) of \$6.441 million for dental benefits and \$10.600 million for medical benefits required in years beyond 2006 for the payment to fund TTC post-retirement benefits be postponed to those future years' budget considerations;
- (128) the Toronto Transit Commission be requested to report to the Budget Advisory Committee in 2006 with a multi-year fare strategy that preserves ridership but offsets to the greatest extent possible anticipated annual expenditures; and
- (129) the in-camera motion concerning a labour relations matter be adopted.

Subject to the following amendment by the Policy and Finance Committee:

“(1) That City Council adopt the recommendation of the Policy and Finance Committee contained in the confidential communication (March 27, 2006) from the Policy and Finance Committee, such recommendation to be considered in-camera as the subject matter relates to labour relations or employee negotiations.”

Toronto Transit Commission – Wheel-Trans:

- (130) the 2006 BAC Recommended Operating Budget for the Toronto Transit Commission Wheel-Trans of \$63.009 million gross and \$59.968 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Wheel-Trans	<u>63,009.1</u>	<u>59,968.3</u>
Total Program Budget	<u>63,009.1</u>	<u>59,968.3</u>

- (131) the Toronto Transit Commission (Wheel-Trans) be requested to report back to Budget Advisory Committee in 2006 to determine the final disposition of funds totalling \$0.440 million for the Ontario Health Premium payments for 2005 and 2006; and
- (132) the 2006 provision (Wheel-Trans) of \$0.790 million for medical and dental benefits required in years beyond 2006 for the payment to fund Toronto Transit Commission post-retirement benefits be postponed to those future years' budget considerations.

Toronto Police Service:

- (133) the 2006 BAC Recommended Operating Budget for Toronto Police Service of \$796.170 million gross and \$751.639 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Chief of Police	1,864.4	1,862.8
Specialized Operations Command	194,268.5	188,781.9
Divisional Policing Command	384,862.4	366,732.4
Administrative Command	157,664.4	142,443.5
Executive Command	30,096.7	26,236.0
Human Resources Command	<u>27,414.0</u>	<u>25,582.1</u>
Total Program Budget	<u>796,170.4</u>	<u>751,638.7</u>

- (134) the provincial funding of \$5.0 million for additional resources for Toronto Police Service, which is included in the 2006 BAC Recommended Operating Budget, be used as follows:

- (a) **accelerate new officer hiring;**
 - (b) **backfill officer time for three rapid-response teams of 18 officers; and**
 - (c) **purchase necessary equipment for intelligence-gathering;**
- (135) **Toronto Police Services Board be requested to report back to the Budget Advisory Committee in June 2006 on the comparison of policing as a percentage of every tax dollar (Toronto Police Service is 23.8 percent in the 2005 Operating Budget) versus comparable police forces in large cities and municipalities across Canada;**
- (136) **Toronto Police Services Board be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the comparison of Toronto Police Service's Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada;**

Subject to the following amendment by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

- (C) **the timeframes for reporting back of "February 2006" referred to in Part B(6) and (7) of Recommendation 1.47 for the Toronto Police Service, as contained in Appendix 6, "City of Toronto 2006 Operating Budget – Budget Advisory Committee Transmittal" to the report, "City of Toronto 2006 BAC Recommended Tax Supported Operating Budget" from the City Manager and Deputy City Manager and Chief Financial Officer, be changed to "June 2006" for Recommendation Part B (6) and "to the start of the 2007 Budget process" for Part B (7) as reflected in Recommendations (135) and (136) respectively in Appendix 3, "2006 BAC Recommended Operating Budget – Program Recommendations";**
- (137) **the Deputy City Manager responsible for the Municipal Licensing and Standards, in consultation with City Legal Services and other appropriate City staff, report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the Toronto Police Service's proposal to recover incremental costs (approximately \$2.0 million annually) of policing the Toronto Entertainment District at peak periods from businesses within the Entertainment District;**

Subject to the following amendment by the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee:

(D) the timeframe for reporting back of “during the 2006 Operating Budget Process” referred to in Part B (8) of Recommendation 1.47 for the Toronto Police Service, as contained in Appendix 6, “City of Toronto 2006 Operating Budget – Budget Advisory Committee Transmittal” to the report, “City of Toronto 2006 BAC Recommended Tax Supported Operating Budget” from the City Manager and Deputy City Manager and Chief Financial Officer, be changed to “the start of the 2007 Budget process” as reflected in Recommendation (137) of Appendix 3, “2006 BAC Recommended Operating Budget – Program Recommendations”; and

- (138) the Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the new staffing strategy with respect to the redeployment of 200 positions to uniformed positions, namely the criteria for redeployment, whom to redeploy, to and from which department, which services will be impacted or eliminated to accommodate this redeployment, and the resultant impact on base policing activity; and
- (139) the Chief of Police, as per the report received by the Toronto Police Services Board on December 15, 2005 regarding the 2006 Toronto Police Service Operating Budget, be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.

Toronto Police Services Board:

- (140) the 2006 BAC Recommended Operating Budget for Toronto Police Services Board of \$1.785 million gross and \$1.785 million net for the following service, be approved.

Service:	Gross (\$000s)	Net (\$000s)
Toronto Police Services Board	<u>1,784.6</u>	<u>1,784.6</u>
Total Program Budget	<u>1,784.6</u>	<u>1,784.6</u>

Community Partnership and Investment Program:

- (141) the 2006 BAC Recommended Operating Budget for Community Partnership and Investment Program of \$45.358 million gross and \$40.175 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Arts and Culture	16,092.4	16,092.4
Community Services	12,531.3	12,531.3
Recreation	1,305.4	1,305.4
Public Health	4,924.6	4,924.6
Housing	7,406.9	2,483.9
Access and Equity	773.8	773.8
Economic Development	541.3	541.3
Urban Development	569.3	309.3
Miscellaneous	1,212.9	1,212.9
Total Program Budget	45,357.9	40,174.9

- (142) there be a one-time increase of \$77,900 to the Health and Safety Fund to provide additional emergency response for drop-in centres from the unallocated portion of the 2006 City of Toronto Homeless Initiatives Fund;
- (143) additional funding of \$25,000 for the Toronto Region Research Alliance (TRRA), be conditional on TEDCO matching the amount;
- (144) a one-time grant of \$10,000 for promotion and advertising be added to the 2006 Operating Budget for Toronto Heritage Grant within the Community Partnership and Investment Program, and that this funding be fully offset from the Community Heritage Reserve Fund;
- (145) the staff Recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (December 14, 2005) from the General Manager, Parks, Forestry and Recreation entitled “Harbourfront Centre – Renewal of Operating Grant”, be adopted:
- “(1) that Council renew the annual grant commitment of \$750,000 to Harbourfront Centre for one year from April 1, 2006, and ending March 31, 2007, or until Harbourfront Centre ceases to exist, ceases to operate Harbourfront Centre or loses its non-profit status;
- (2) the General Manager, Parks, Forestry and Recreation be authorized to commence a review with Harbourfront Centre of their capital needs to ensure a state of good repair of the City-owned Harbourfront programming lands and report during the 2007 Budget Process on capital requirements;
- (3) the General Manager, Parks, Forestry and Recreation be authorized to commence negotiations with Harbourfront Centre with respect to a renewal of the operating agreement and state of good repair capital funding for a term of 10 years, commencing April 1, 2007, and ending

March 31, 2017, outlining such additional terms and conditions as deemed necessary or appropriate, and that the financial implications be reported during the 2007 Budget Process;

- (4) subject to City Council adopting Recommendation (3), the Government of Canada be requested to jointly examine a 10-year financial plan to ensure financial stability of Harbourfront Centre; and**
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;"**
- (146) staff to work with other funders such as the United Way, Provincial and Federal Governments to leverage additional funds to supplement the base Service Development Investment Program; and**
- (147) the Deputy City Manager review and report to Budget Advisory Committee before the 2007 Budget process, on the financial impact of the Provincial consolidation of the homelessness program funding, to determine whether funding should remain within the Community Partnership and Investment Program for future years.**

Capital and Corporate Financing/Non-Program:

- (148) the 2006 BAC Recommended Operating Budget for Non-Program of \$863.258 million gross and \$182.066 million net, comprised of the following services, be approved:**

Service:	Gross (\$000s)	Net (\$000s)
Capital and Corporate Financing	501,477.8	496,546.8
Non-Program Expenditures	361,780.0	258,305.4
Non-Program Revenues	<u> </u>	<u>(572,786.7)</u>
Total Program Budget	<u>863,257.8</u>	<u>182,065.5</u>

- (149) the 2006 BAC Recommended Operating Budget for Non-Program Expenditures include the required funding of \$1,059,444.00 in 2006 referred to in Recommendation (5) of Policy and Finance Committee Report 8, Clause 39 - "The Corporation of the City of York Employee Pension Plan, Actuarial Valuation of Funding Purposes as at January 1, 2005";**
- (150) the 2006 BAC Recommended Operating Budget for Non-Program Expenditures include the required funding of \$11,614,800.00 in 2006 referred to in Recommendation (2)(f) of Policy and Finance Committee Report 8, Clause 40 - "Metro Toronto Police Benefit Fund, Actuarial Valuation as at December 31, 2004";**

(151) the staff recommendations (1), (2), (3), (4), (6) and (7) contained in the Recommendations Section of the report (December 15, 2005) from the Deputy City Manager and Chief Financial Officer, entitled “Revisions to Tax Sale Process Resulting from Brownfields Legislation (All Wards)”, be adopted:

- “(1) a new Non-Program expenditure budget in the amount of \$385,000.00 be established, entitled “Sale of Land for Tax Arrears – Investigations”, to fund the cost of inspections, environmental investigations and appraisals (“Information Reports”) incurred subsequent to a failed tax sale; and that such funding to be provided from a reallocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts;**
- (2) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate to vest a property in the City in circumstances where a tax sale has been unsuccessful, the property is not a condominium, and Information Reports indicate that the tax sale property has no apparent environmental conditions;**
- (3) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate, following a failed tax sale, to write off tax arrears on properties where such arrears do not exceed \$10,000.00 and that Article 17 of Chapter 71 of the City of Toronto Municipal Code, Financial Control, be amended to give effect to this delegation;**
- (4) Article 16 of Chapter 441 of the City of Toronto Municipal Code, Fees, respecting Scale of Costs for Tax Sale Proceedings under Part XI of the *Municipal Act, 2001*, be amended to include the cost of a Preliminary Observation Report in the cancellation price;**
- (6) authority be granted for the introduction of any necessary Bills to implement the foregoing; and**
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;**

(152) the staff recommendations in the Recommendations Section of the report (February 7, 2006) from the Deputy City Manager and Chief Financial Officer, headed “2006 Annual Sinking Fund Levy and Activity During 2005”, be adopted:

- “(1) the 2006 sinking fund levies required by by-law (as amended by the Ontario Municipal Board orders to reduce levies) to be raised in 2006 by Council for deposit in the City of Toronto Sinking Fund be approved as follows:**

City of Toronto	\$126,253,535.81
Water and Wastewater	989,944.57
Toronto District School Board	<u>6,128,776.63</u>
Total	\$133,372,257.01; and

- (2) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.”;
- (153) the Mayor of Toronto again ask the Province of Ontario for an amended template agreement so that the revenue to the municipality from slot machines in excess of 1,300 machines be at least equivalent to the revenues received and paid for the first 450 machines, namely, 5 percent for the first 450 machines; 2 percent for the next 850 machines up to 1,300 machines; and 5 percent for any number in excess of 1,300 machines; and
- (154) the Deputy City Manager and Chief Financial Officer further review:
- (a) the feasibility of closing First Appearance Facilities and/or reducing full time equivalent staff positions; and
 - (b) the feasibility of introducing a new user fee for Parking Tag mail-in and counter payments,
- and report thereon to the Administration Committee prior to the 2007 Budget process.

Toronto Parking Authority:

- (155) the 2006 BAC Recommended Operating Budget for the Toronto Parking Authority of \$54.801 million gross and (\$40.383 million) net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
On-Street Parking	10,934.9	(25,065.1)
Off-Street Parking	<u>43,866.4</u>	<u>(15,318.2)</u>
Total Program Budget	<u>54,801.3</u>	<u>(40,383.3)</u>

- (156) the increase in \$50 thousand net revenue included in the 2006 BAC Recommended Operating Budget, be generated from revenue from the City-owned downtown properties under the jurisdiction of Facilities and Real Estates that will be made available to the Authority in 2006.

- (B) City Council adopt the following staff recommendations contained in the Recommendation Section of the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer, entitled “Renewal of Provincial Gas Tax Agreement”:**

“It is recommended that:

- (1) the Mayor, Deputy City Manager and Chief Financial Officer and Clerk be authorized to execute the standard Letter of Agreement between the City and Her Majesty the Queen in Right of Ontario for funding under the Dedicated Gas Tax Funds for Public Transportation Program for:**
 - (a) the period October 1, 2005 – September 30, 2006; and**
 - (b) each subsequent year, if necessary, provided the nature of the agreement and/or guidelines for eligibility are not altered in a material way; and**
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto;”;**

- (C) City Council adopt the recommendations of the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee, that Council adopt the following staff recommendations in the Recommendations Section of the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer, entitled “2005 Preliminary Year-end Operating Variance Report”:**

“It is recommended that:

- (1) the 2005 preliminary gross operating surplus of \$80.959 million be allocated to City reserve funds in accordance with the TTC recommended 2006 Operating Budget reserve fund draw and City approved policy as follows: TTC Stabilization Reserve Fund (\$12.624 million), Capital Financing Reserve Fund (\$51.252 million), Employee Benefits Reserve Fund (\$13.418 million), Perpetual Care of Landfill Reserve Fund (\$3.166 million) and Homes for the Aged Stabilization Reserve Fund (\$0.500 million);**
 - (2) this 2005 Preliminary Year-end Operating Variance report for the year ended December 31, 2005 be forwarded to the Policy and Finance Committee for its consideration; and**
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.**
- (D) City Council adopt the recommendations of the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee, that Council adopt the following staff recommendations in the**

Recommendations Section of the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer “Reserve Contribution to 2006 Operating Budget”:

“It is recommended that:

- (1) Council reaffirm its previous decision that reserve accounts in Appendix A are no longer required, and to transfer the remaining balances to general revenue (other corporate revenues) and close the accounts;**
 - (2) Council declare that accounts in Appendix B are no longer required, transfer the indicated balances to general revenue (other corporate revenues) and close the accounts;**
 - (3) Municipal Code Chapter 227 [Reserves and Reserve Funds] be amended by deleting the accounts in Appendix A and Appendix B, as per Recommendations (1) and (2) above;**
 - (4) Council determine the amount of funds required to balance the 2006 Operating Budget given Recommendation (1) and (2) above and declare sufficient reserve funds to be identified from the prioritized list in Appendix C, as surplus to the City’s needs at this time;**
 - (5) Council authorize the Deputy City Manager and Chief Financial Officer to: (1) transfer funds from the accounts identified in Recommendation (4) to either general revenues (other corporate revenues) or the 2006 Operating Budget revenues for the appropriate Divisions; (2) reallocate tax revenue support from Programs where transfers will occur; and (3) amend the 2006 Operating Budget accordingly;**
 - (6) the Deputy City Manager and Chief Financial Officer be authorized to make adjustments to the amounts outlined in the above recommendations as necessary to reflect the finalization of 2005 reserves and reserve funds accounts and other budgeted withdrawals; and**
 - (7) 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.**
- (E) City Council adopt the recommendation of the Budget Advisory Committee contained in the communication (March 27, 2006) from the Budget Advisory Committee, that the report (March 3, 2006) from the Treasurer, entitled “2005 Reserve and Reserve Fund Preliminary Variance Report”, be forwarded to Council for information.**

Notice of the proposed user fees (or changes to user fees) was given as required by the Municipal Code Chapter 441, Fees, and public notice was posted on the City's Web Site.

Action taken by the Policy and Finance Committee:

The Policy and Finance Committee:

- (1) requested the Mayor and the Chair of the Budget Advisory Committee to present directly to Council for consideration at its meeting on March 29, 2006, as the first item of business, a procedural framework for City Council's budget debate;
- (2) requested Deputy City Manager Sue Corke to review the requirements and intended commitments of the following accounts:
 - Regent Park Community Centre (XR1026); and
 - East York Curling Parks Capital Maintenance (XR1018)

and identify alternative options to accommodate these plans from within Citizen Centred Services, Cluster A;

- (3) referred the communication (February 23, 2006) from Councillor Gay Cowbourne, Chair, Roundtable on Seniors, entitled "Toronto Seniors Forum – 2006 City Budget Recommendations" to the Deputy City Manager and Chief Financial Officer, the General Manager, Shelter, Support and Housing Administration, the Medical Officer Health, and the Toronto Police Services Board, and the Toronto Transit Commission for information;
- (4) referred the following motion to the Toronto Transit Commission for consideration:

Moved by Councillor Howard Moscoe:

"That the Toronto Transit Commission be requested to direct staff to:

- (a) report on the amount of funds that would be required to lower the unaccommodated rate to 2 percent, 1 percent and 0 percent;
 - (b) report on all outstanding requests for community bus routes and the cost of implementing each of those requests on a trial basis; and
 - (c) report on the feasibility of directing a higher proportion of funds generated from the Harper tax credit program to fares for seniors and students;"
- (5) referred the communication (February 27, 2006) from the Audit Committee, entitled "Responses to Telecommunication Services Review – Management Response and Workplan – Status Update", and the communication (March 12, 2006) from the Chief Financial Officer, TEDCO, to the City Manager with a request that she contact the various Chairs of the Boards and request a written response respecting the Telecommunications Services Review and submit a report thereon to the Audit Committee; and

(6) received the following communications and report:

- (i) communication (March 1, 2006) from the Chair, Toronto Police Services Board, entitled “Toronto Police Service – 2006 Operating Budget Submissions – As at December 15, 2005”, providing the Policy and Finance Committee with information on the 2006 Operating Budget submission for the Toronto Police Service as at December 15, 2005; and advising that the 2006 Operating Budget submission continues to be considered through the Budget Advisory Committee.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

- (ii) communication (March 1, 2006) from the Chair, Toronto Police Services Board, entitled “Toronto Police Services Board and Toronto Police Service Parking Enforcement Unit 2006 Operating Budget Submissions – As at December 15, 2005”, providing the Policy and Finance Committee with information on the 2006 Operating Budget submissions for the Toronto Police Services Board and the Toronto Police Service Parking Enforcement Unit.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

- (iii) communication (March 1, 2006) from the Chair, Toronto Police Services Board, entitled “Toronto Police Service – 2006 Operating Budget Request – Revised” providing the Policy and Finance Committee with a report on the revised 2006 net operating budget request of the Toronto Police Service.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

- (iv) communication (February 10, 2006) from the City Clerk advising that City Council on January 31 and February 1 and 2, 2006, referred the Notice of Motion respecting the Grant to Save our St. Clair (SOS) Group to the Policy and Finance Committee;
- (v). communication (February 2, 2006) addressed to the Planning and Transportation Committee from Mr. Ian Leventhal, President, Ian Leventhal Creates Inc., in support of the continuation of the Mayor’s Roundtable on a Beautiful City;
- (vi) communication (February 20, 2006) from the Policy and Finance Committee and the Budget Advisory Committee advising that the committees met jointly on February 16, 2006, to hear speakers on the 2006 Operating Budget;

- (vii) report (March 21, 2006) from the General Manager, Parks, Forestry and Recreation, entitled “Asian Long-Horned Beetle Eradication Program – All Wards”, confirming the current and future Partnership Agreement between the City of Toronto and the Canadian Food Inspection Agency (CFIA) which provides for the reimbursement of all costs for survey, removal and disposal of infected trees associated with the Asian Long-horned Beetle (ALHB) Eradication Program.

Recommendation:

It is recommended that this report be received for information; and

- (viii) communication (March 17, 2006) from Mr. John Wilson, Task Force to Bring Back the Don requesting that the Policy and Finance Committee recommend to Council that the support provided to the Task Force to Bring Back the Don by the City Clerk be continued.

The Policy and Finance Committee submits the communication (March 27, 2006) from the Budget Advisory Committee entitled “City of Toronto 2006 Budget Advisory Committee (BAC) Recommended Tax Supported Operating Budget”:

Attached is the Decision Document outlining the actions taken by the Budget Advisory Committee on March 27, 2006.

1. 2006 Operating Budget Corporate Report

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (March 23, 2006) from the City Manager and the Deputy City Manager and Chief Financial Officer, entitled “City of Toronto 2006 BAC Recommended Tax Supported Operating Budget”, subject to the following amendments:

- (A) adjusting the Fire Services’ 2006 Budget Advisory Committee Recommended Operating Budget to include the July 2005 Council approved buy-out of Bunker Suits and that a one-time amount of \$3,002,589 gross be added to Fire Services Communication and Operational Support to be funded from the Capital Financing Reserve Fund for a \$0 net impact;
- (B) amending Recommendation (43) as follows:
 - “(43) the staff recommendations contained in the Recommendations Section of the report (February 13, 2006) from the Chief Planner and Executive Director of City Planning, entitled ‘Specifics of the Initial Lights Out Toronto Campaign to Raise Awareness of the Spring and Fall Migratory Bird Seasons’, be adopted subject to:

- (i) amending Recommendation (2) to read:
 - ‘(2) City Council authorize the acceptance of third party contributions to be used to undertake the ‘Lights Out Toronto’ public awareness campaign from migratory bird stakeholders and partners including Building Owners and Managers Association (BOMA), Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors; and’
- (ii) inserting a new Recommendation (4) as follows:
 - ‘(4) authority be granted to include the logos of BOMA, Toronto Hydro, Canadian Wildlife Service and FLAP on promotional materials for the “Lights Out Toronto” campaign;’ and
- (iii) renumbering the remaining recommendations accordingly;”

so that the recommendations now read:

- “(1) City Council adopt the pilot program for a ‘Lights Out Toronto’ campaign to run twice in 2006, corresponding with the spring and fall migratory seasons, that advocates and encourages the turning off of lighting, when not needed, through ads on TTC vehicles, brochures and other effective advertising media;
- (2) City Council authorize the acceptance of third party contributions to be used to undertake the ‘Lights Out Toronto’ public awareness campaign from migratory bird stakeholders and partners including Building Owners and Managers Association (BOMA), Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors;
- (3) City Council authorize the entering of an agreement with the Canadian Wildlife Service in order to accept their third party donation of \$15.0 thousand to be used for the ‘Lights Out Toronto Campaign’;
- (4) authority be granted to include the logos of BOMA, Toronto Hydro, Canadian Wildlife Service and FLAP on promotional materials for the ‘Lights Out Toronto’ campaign
- (5) the Chief Planner and Executive Director, City Planning, when reporting back as requested in one year’s time on progress made including a review of daytime strikes and the investigation of light pollution policies and by-laws enacted in other jurisdictions, that such report also include a review of the success of the 2006 “Lights Out Toronto” pilot program and the involvement and role of the City in subsequent “Lights Out Toronto” campaigns;

- (6) the 2006 Proposed Operating Budget for City Planning be increased by \$40,000, offset by revenue from third party contributions for an equal amount, for a \$0 net impact on the 2006 Proposed Operating Budget; and spending authority be contingent upon receipt of all third party funding required to complete the project; and
 - (7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”
- (C) the timeframes for reporting back of “February 2006” referred to in Part B(6) and (7) of Recommendation 1.47 for the Toronto Police Service, as contained in Appendix 6, “City of Toronto 2006 Operating Budget – Budget Advisory Committee Transmittal” to the report, “City of Toronto 2006 BAC Recommended Tax Supported Operating Budget” from the City Manager and Deputy City Manager and Chief Financial Officer, be changed to “June 2006” for Recommendation Part B (6) and “to the start of the 2007 Budget process” for Part B (7) as reflected in Recommendations (135) and (136) respectively in Appendix 3, “2006 BAC Recommended Operating Budget - Program Recommendations”;
- (D) the timeframe for reporting back of “during the 2006 Operating Budget Process” referred to in Part B (8) of Recommendation 1.47 for the Toronto Police Service, as contained in Appendix 6, “City of Toronto 2006 Operating Budget – Budget Advisory Committee Transmittal” to the report, “City of Toronto 2006 BAC Recommended Tax Supported Operating Budget” from the City Manager and Deputy City Manager and Chief Financial Officer, be changed to “the start of the 2007 Budget process” as reflected in Recommendation (137) of Appendix 3, “2006 BAC Recommended Operating Budget – Program Recommendations”; and
- (E) endorse the following new and enhanced requests for youth programs and services, in principle, and refer them to staff for inclusion in inter-governmental discussions regarding the Ontario Youth Challenge Fund, Youth Opportunities Fund and other applicable Provincial Funds:
 - Earthkeepers Program;
 - Young Women’s Clubs;
 - Youth Leadership Programs;
 - Youth Councils in Community Centres;
 - Apprenticeship “Training in the Trades”;
 - Camp Isuma Adventure and Wilderness Camp; and
 - Urban Farm; and

that Council’s lead on Youth Issues and appropriate staff meet with the administrators of the two funds to advocate support for these initiatives.

Report (March 23, 2006) from the City Manager and the Deputy City Manager and Chief Financial Officer presenting the 2006 Budget Advisory Committee (BAC) Recommended Operating Budget for the City Programs, Agencies, Boards and Commissions.

Councillor Rae declared his interest in the 2006 Operating Budget for Culture as it relates to grants to major cultural organizations in that his spouse is an employee of the Canadian Opera Company.

2. 2005 Preliminary Year-end Operating Variance Report

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer.

Report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer providing the City of Toronto Preliminary Year-end Operating Variance report for the twelve months of operations ended December 31, 2005; and advising that a final report will be prepared following the annual audit of the City's accounts and financial statements.

Recommendations:

It is recommended that:

- (1) the 2005 preliminary gross operating surplus of \$80.959 million be allocated to City reserve funds in accordance with the TTC recommended 2006 Operating Budget reserve fund draw and City approved policy as follows: TTC Stabilization Reserve Fund (\$12.624 million), Capital Financing Reserve Fund (\$51.252 million), Employee Benefits Reserve Fund (\$13.418 million), Perpetual Care of Landfill Reserve Fund (\$3.166 million) and Homes for the Aged Stabilization Reserve Fund (\$0.500 million);
- (2) this 2005 Preliminary Year-end Operating Variance report for the year ended December 31, 2005 be forwarded to the Policy and Finance Committee for its consideration; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

3. Reserve Contribution to 2006 Operating Budget

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council:

- (1) adopt the staff recommendations in the Recommendations Section of the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer; and

- (2) request the City Manager, Deputy City Manager and Chief Financial Officer and the Deputy City Manager review the requirements and commitments of the Capital Revolving Fund – Affordable Housing and Reserve Fund up to \$9.5 million and report to Council on an alternative reserve fund or funds from within Citizen Centred Services A; and

Report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer identifying funds from reserve accounts that could be applied as a one-time funding source to the 2006 Operating Budget funding gap, in order to avoid significant services and/or significant increases in property taxes.

Recommendations:

It is recommended that:

- (1) Council reaffirm its previous decision that reserve accounts in Appendix A are no longer required, and to transfer the remaining balances to general revenue (other corporate revenues) and close the accounts;
- (2) Council declare that accounts in Appendix B are no longer required, transfer the indicated balances to general revenue (other corporate revenues) and close the accounts;
- (3) Municipal Code Chapter 227 [Reserves and Reserve Funds] be amended by deleting the accounts in Appendix A and Appendix B, as per Recommendations (1) and (2) above;
- (4) Council determine the amount of funds required to balance the 2006 Operating Budget given Recommendation (1) and (2) above and declare sufficient reserve funds to be identified from the prioritized list in Appendix C, as surplus to the City's needs at this time;
- (5) Council authorize the Deputy City Manager and Chief Financial Officer to:
(1) transfer funds from the accounts identified in Recommendation (4) to either general revenues (other corporate revenues) or the 2006 Operating Budget revenues for the appropriate Divisions; (2) reallocate tax revenue support from Programs where transfers will occur; and (3) amend the 2006 Operating Budget accordingly;
- (6) the Deputy City Manager and Chief Financial Officer be authorized to make adjustments to the amounts outlined in the above recommendations as necessary to reflect the finalization of 2005 reserves and reserve funds accounts and other budgeted withdrawals; and
- (7) 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.

4. 2005 Reserve and Reserve Fund Preliminary Variance Report

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council receive the report (March 3, 2006) from the Treasurer for information.

Report (March 3, 2006) from the Treasurer providing preliminary information on reserve and reserve fund balances as at December 31, 2005 and activity in reserves and reserve funds during the year then ended.

Recommendation:

It is recommended that the 2005 Reserve and Reserve Fund Preliminary Variance Report be forwarded to the Policy and Finance Committee and Council for information.

5. Increased Charges for Nuisance and Malicious False Fire Alarms

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council receive the recommendation contained in the communication (March 8, 2006) from the Community Services Committee.

Communication (March 8, 2006) from the Community Services Committee forwarding reports regarding increased charges for nuisance and malicious false fire alarms.

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council receive the report (December 19, 2005) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager, entitled "Increased Charges for Nuisance and Malicious False Fire Alarms".

Staff Recommendations:

It is recommended that:

- (1) Municipal Code Chapter 441- Fees be amended to require Owners to pay a fee for the second and subsequent malicious false alarms, in respect of the same address, per year, per fire vehicle dispatched and to require Owners to pay a fee for the second and subsequent nuisance false alarms, in respect of the same address, per two-month period, per fire vehicle dispatched;

- (2) authorization be given to add two Accounting Assistant 2 positions to the establishment at a cost for salaries and benefits of \$68,724.00 each, plus associated equipment and supplies of \$6,000.00 for both and mailing costs of approximately \$3,575.00 on an annual basis for a total annual cost of approximately \$147,023.00; and
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.
6. Withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund and Approval of Six Loans to: Ascot Co-operative Homes Inc.; Atahualpa Co-operative Homes Inc.; Bellamy Housing Co-operative Inc.; Mimico Co-operative Homes Inc.; Scarborough Heights Co-operative Homes Inc.; and Secord Avenue Co-operative Homes Inc. (Wards 2, 6, 31, 36, 38 and 42)

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that, as recommended by the Community Services Committee, City Council adopt the following staff recommendations contained in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration:

- “(1) authority be given to the General Manager, Shelter, Support and Housing Administration (the “General Manager”) to:
- (a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund required for capital repairs and lend:
 - (i) \$502,000.00 to Ascot Co-operative Homes Inc. at 930 Queen’s Plate Drive;
 - (ii) \$678,000.00 to Atahualpa Co-operative Homes Inc. at 3 Brimley Road;
 - (iii) \$746,000.00 to Bellamy Housing Co-operative Inc. at 130 Bellamy Road North;
 - (iv) \$6,680,000.00 to Mimico Co-operative Homes Inc. at 1 Summerhill Road;
 - (v) \$3,320,000.00 to Scarborough Heights Co-operative Homes Inc. at 90 Burrows Hall Boulevard; and
 - (vi) \$1,487,000.00 to Secord Avenue Co-operative Homes Inc. at 80 Secord Avenue;
- or to a receiver and manager for any of these housing projects, if one has been appointed by the City’s social housing Administrator;
- (b) for each of the above described housing projects, negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a mortgage and a general assignment of rents; or if the City’s social housing Administrator has appointed a receiver and manager for any of these

housing projects, to apply for court approval of the terms and conditions, including those for repayment, of a mortgage and a general assignment of rents, subject to the following terms and conditions:

- (i) each loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage is due to mature, or (2) such mortgage is redeemed;
 - (ii) starting on the Commencement Date each loan will bear interest at a rate equal to the prime lending rate charged by the City’s leading banker plus one percent and be subject to a repayment schedule that would amortize each loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;
 - (iii) each interest rate and repayment schedule will be renegotiable, by each housing provider, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form acceptable to the City Solicitor;
- (c) apply for the consent of the Minister of Municipal Affairs and Housing (the “Minister”) required under Section 95(3) of the *Social Housing Reform Act, 2000* (“SHRA”) and such other consents and approvals as may be necessary or convenient from other third parties, including lenders;
- (2) the six loans totaling up to \$13,413,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the Municipal Act 2001, S.O. 2001, Chapter 25;
- (3) the 2006 budget for Shelter Support and Housing Administration be increased by \$13,413,000.00 gross and \$0 net and be funded by a withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund for required capital expenditures at six non-profit co-operative housing projects;
- (4) the Province be requested to reimburse the City of Toronto for the \$13,413,000.00 needed for capital repairs;
- (5) any reimbursement received from the Province be credited to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion as loans were withdrawn from such Funds; and any repayments of principal and interest on a loan be credited, as they are received, to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion such loan was withdrawn from such Funds;
- (6) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and

- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Communication (March 8, 2006) from the Community Services Committee recommending to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

Recommendations:

It is recommended that:

- (1) authority be given to the General Manager, Shelter, Support and Housing Administration (the “General Manager”) to:
- (a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund required for capital repairs and lend:
 - (i) \$502,000.00 to Ascot Co-operative Homes Inc. at 930 Queen’s Plate Drive;
 - (ii) \$678,000.00 to Atahualpa Co-operative Homes Inc. at 3 Brimley Road;
 - (iii) \$746,000.00 to Bellamy Housing Co-operative Inc. at 130 Bellamy Road North;
 - (iv) \$6,680,000.00 to Mimico Co-operative Homes Inc. at 1 Summerhill Road;
 - (v) \$3,320,000.00 to Scarborough Heights Co-operative Homes Inc. at 90 Burrows Hall Boulevard; and
 - (vi) \$1,487,000.00 to Secord Avenue Co-operative Homes Inc. at 80 Secord Avenue;or to a receiver and manager for any of these housing projects, if one has been appointed by the City’s social housing Administrator;
 - (b) for each of the above described housing projects, negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a mortgage and a general assignment of rents; or if the City’s social housing Administrator has appointed a receiver and manager for any of these housing projects, to apply for court approval of the terms and conditions, including those for repayment, of a mortgage and a general assignment of rents, subject to the following terms and conditions:
 - (i) each loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage is due to mature, or (2) such mortgage is redeemed;

- (ii) starting on the Commencement Date each loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize each loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;
 - (iii) each interest rate and repayment schedule will be renegotiable, by each housing provider, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form acceptable to the City Solicitor;
- (c) apply for the consent of the Minister of Municipal Affairs and Housing (the "Minister") required under Section 95(3) of the Social Housing Reform Act, 2000 ("SHRA") and such other consents and approvals as may be necessary or convenient from other third parties, including lenders;
- (2) the six loans totaling up to \$13,413,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the Municipal Act 2001, S.O. 2001, Chapter 25;
- (3) the 2006 budget for Shelter Support and Housing Administration be increased by \$13,413,000.00 gross and \$0 net and be funded by a withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund for required capital expenditures at six non-profit co-operative housing projects;
- (4) the Province be requested to reimburse the City of Toronto for the \$13,413,000.00 needed for capital repairs;
- (5) any reimbursement received from the Province be credited to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion as loans were withdrawn from such Funds; and any repayments of principal and interest on a loan be credited, as they are received, to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion such loan was withdrawn from such Funds;
- (6) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

7. 2006 One-Time Funding Increase to City of Toronto Homeless Initiatives Fund, Off the Streets into Shelter Fund and Supports to Daily Living Fund, and Proposed Allocations and Update on 2005 One time Allocations

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that, as recommended by the Community Services Committee, City Council adopt the staff recommendations contained in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration:

- “(1) City Council receive a total one-time funding increase of \$2.900 million gross and \$0 net from the Ministry of Community and Social Services for homelessness programs by increasing the Community Partnership and Investment Program, Housing envelope for the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Shelter, Housing and Support Program, Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net, as shown in the Financial Implications section of this report;
- (2) the General Manager of Shelter, Housing and Support be authorized to enter into agreements with community agencies and consultants, and to make purchases as required, to implement specific homelessness initiatives that total \$1,956,500.00 gross and \$0 net by allocating one-time funds up to \$1,841,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund and up to \$115,000.00 gross and \$0 net from the Off the Street Into Shelter budget, as set out in Appendix C;
- (3) the General Manager of Shelter, Housing and Support be authorized to provide one-time funding enhancements that total \$559,068.80 gross and \$0 net to community agencies which were approved for 2006 funding by Council at its meeting of December 5, 6 and 7, 2005, as set out in Appendix D. These one-time enhancements include \$187,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for drop-in services, \$179,068.80 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for housing help services outside of shelters, \$100,000.00 gross and \$0 net from the Off the Street Into Shelter for street outreach services, and \$92,500.00 gross and \$0 net from the Support to Daily Living budget for housing supports in alternative housing;
- (4) City Council enhance City administration funding by a total of \$184,000.00 gross and \$0 net by increasing the administration expenditures of the City of Toronto Homeless Initiatives Fund by \$30,000.00 gross and \$0 net, and the administration expenditures of the Off the Streets Into Shelter budget by \$154,000.00 gross and \$0 net; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Communication (March 8, 2006) from the Community Services Committee recommending to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

Recommendations:

It is recommended that:

- (1) City Council receive a total one-time funding increase of \$2.900 million gross and \$0 net from the Ministry of Community and Social Services for homelessness programs by increasing the Community Partnership and Investment Program, Housing envelope for the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Shelter, Housing and Support Program, Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net, as shown in the Financial Implications section of this report;
- (2) the General Manager of Shelter, Housing and Support be authorized to enter into agreements with community agencies and consultants, and to make purchases as required, to implement specific homelessness initiatives that total \$1,956,500.00 gross and \$0 net by allocating one-time funds up to \$1,841,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund and up to \$115,000.00 gross and \$0 net from the Off the Street Into Shelter budget, as set out in Appendix C;
- (3) the General Manager of Shelter, Housing and Support be authorized to provide one-time funding enhancements that total \$559,068.80 gross and \$0 net to community agencies which were approved for 2006 funding by Council at its meeting of December 5, 6 and 7, 2005, as set out in Appendix D. These one-time enhancements include \$187,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for drop-in services, \$179,068.80 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for housing help services outside of shelters, \$100,000.00 gross and \$0 net from the Off the Street Into Shelter for street outreach services, and \$92,500.00 gross and \$0 net from the Support to Daily Living budget for housing supports in alternative housing;
- (4) City Council enhance City administration funding by a total of \$184,000.00 gross and \$0 net by increasing the administration expenditures of the City of Toronto Homeless Initiatives Fund by \$30,000.00 gross and \$0 net, and the administration expenditures of the Off the Streets Into Shelter budget by \$154,000.00 gross and \$0 net; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Councillor Mihevc declared his interest in the foregoing matter in that his wife is an employee of the East York East Toronto Family Resource Centre.

8. Integration of Children's Service Plans

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the communication (March 8, 2006) from the Community Services Committee:

- “(1) City Council adopt the staff recommendation in the Recommendation Section of the report (February 21, 2006) from the General Manager, Children's Services; and
- (2) the unspent funding from the Child Care Expansion/First Duty Reserve of up to \$25,000.00 be directed for each of the First Duty Projects operated by Macaulay Child Development Centre, Not Your Average Daycare, the Child Development Institute and East York/East Toronto Family Resources to fund summer programs at a total cost of \$100,000.00, and that the contracts with these organizations be extended to September 1, 2006, for this purpose.”

Communication (March 8, 2006) from the Community Services Committee forwarding recommendations regarding the integration of Children's Service Plans; the City's ongoing involvement with Toronto First Duty; and seeking endorsement of the Best Start Plan – Toronto Vision for Children developed by the Best Start Network.

Recommendations:

The Community Services Committee recommended to the Budget Advisory Committee that:

- (1) City Council adopt the staff recommendations in the Recommendations Section of the report (February 21, 2006) from the General Manager, Children's Services; and
 - (2) the unspent funding from the Child Care Expansion/First Duty Reserve of up to \$25,000.00 be directed for each of the First Duty Projects operated by Macaulay Child Development Centre, Not Your Average Daycare, the Child Development Institute and East York/East Toronto Family Resources to fund summer programs at a total cost of \$100,000.00, and that the contracts with these organizations be extended to September 1, 2006, for this purpose.
9. 2006 and 2007 Budget Adjustments of \$15,724,083 gross, with \$0 net impact, for Shelter, Support and Housing Administration

Action taken by the Committee:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council adopt the following staff recommendations in the Recommendations Section of the revised report (March 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

“That

- (1) with respect to the 2006 SCPI allocation of \$12,000,000:
 - (a) funding in the amount \$12,000,000 be allocated to the SCPI Community Plan objectives as approved by Council at its meeting on January 31, February 1 and 2, 2006;
 - (b) funding in the amount of \$1,565,300 be used to continue the Shelter and Referral Centre at 110 Edward Street from April 2006 through December 2006, rather than the Social Housing Stabilization Reserve Fund as included in the 2006 Budget Advisory Committee Recommended Operating Budget;
 - (c) the 2006 Capital Budget for the Shelter Management Information System (SMIS) be increased by \$350,000 (with \$50,000 funded in 2006, and \$300,000 funded in 2007) to provide agencies with the enhanced capacity to utilize the SMIS system;
 - (d) three temporary positions through to March 31, 2007 be added to support the implementation of the 2006 SCPI Community Plan; and
 - (e) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$12,000,000 gross and \$0 net.
- (2) the General Manager, Shelter, Support and Housing Administration report back to Community Services Committee on how increased funding of \$3,296,389, from an originally anticipated allocation of \$14 million in new SCPI funds, will be allocated in line with the SCPI Community Plan objectives;
- (3) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450 gross, \$0 net for the Housing Allowance component of the Canada-Ontario Affordable Housing Program;
- (4) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000 gross, \$0 net conditional upon receipt of provincial grants and subsidies for the Strong Communities Housing Allowance Program - Toronto Pilot;
- (5) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,815,468 gross, \$0 net for new and/or enhanced homelessness/housing initiatives funded from the proceeds of the sale of the former Princess Margaret Hospital;
- (6) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,865 gross, \$0 net to administer the 110 Edward Street and Wychwood Green/Arts Barn projects under the Strong Start Program – Rental and Supportive Housing Component and that one temporary position be added for this purpose;

- (7) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be reduced by \$1,172,700 gross and \$0 net, primarily to reflect one-time funding in 2005 not continuing into 2006; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Revised report (March 22, 2006) from the General Manager, Shelter, Support and Housing Administration, advising that Council has made a number of decisions related to housing and homelessness initiatives; reflecting those decisions in the 2006 Shelter, Support and Housing Administration Budgets, including: 2006 and 2007 budget implications resulting from an additional federal allocation to the Supporting Communities Partnership Initiative (SCPI) for the 2006/07 fiscal year; provincial funding for the Housing Allowance Component of the Canada-Ontario Affordable Housing Program and the Strong Communities Housing Allowance Program - Toronto Pilot; budget adjustments to the planned spending of the proceeds of the former Princess Margaret Hospital; funding allocations for administrative costs for two projects under the Strong Start Program – Rental and Supportive Housing Component; and recommending other technical adjustments to the 2006 BAC Recommended Operating Budget.

Recommendations:

It is recommended that:

- (1) with respect to the 2006 SCPI allocation of \$12,000,000:
 - (a) funding in the amount \$12,000,000 be allocated to the SCPI Community Plan objectives as approved by Council at its meeting on January 31, February 1 and 2, 2006;
 - (b) funding in the amount of \$1,565,300 be used to continue the Shelter and Referral Centre at 110 Edward Street from April 2006 through December 2006, rather than the Social Housing Stabilization Reserve Fund as included in the 2006 Budget Advisory Committee Recommended Operating Budget;
 - (c) the 2006 Capital Budget for the Shelter Management Information System (SMIS) be increased by \$350,000 (with \$50,000 funded in 2006, and \$300,000 funded in 2007) to provide agencies with the enhanced capacity to utilize the SMIS system;
 - (d) three temporary positions through to March 31, 2007 be added to support the implementation of the 2006 SCPI Community Plan; and
 - (e) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$12,000,000 gross and \$0 net.

- (2) the General Manager, Shelter, Support and Housing Administration report back to Community Services Committee on how increased funding of \$3,296,389, from an originally anticipated allocation of \$14 million in new SCPI funds, will be allocated in line with the SCPI Community Plan objectives;
- (3) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450 gross, \$0 net for the Housing Allowance component of the Canada-Ontario Affordable Housing Program;
- (4) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000 gross, \$0 net conditional upon receipt of provincial grants and subsidies for the Strong Communities Housing Allowance Program - Toronto Pilot;
- (5) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,815,468 gross, \$0 net for new and/or enhanced homelessness/housing initiatives funded from the proceeds of the sale of the former Princess Margaret Hospital;
- (6) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,865 gross, \$0 net to administer the 110 Edward Street and Wychwood Green/Arts Barn projects under the Strong Start Program – Rental and Supportive Housing Component and that one temporary position be added for this purpose;
- (7) the 2006 Budget Advisory Committee Recommended Operating Budget for Shelter, Support and Housing Administration be reduced by \$1,172,700 gross and \$0 net, primarily to reflect one-time funding in 2005 not continuing into 2006; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

10. Public Health Funding in 2006

Action taken by the Committee:

The Budget Advisory Committee:

- (1) received the communication (March 2, 2006) from the Honourable George Smitherman, Minister of Health and Long-Term Care, for information; and
- (2) requested the Medical Officer of Health and the Deputy City Manager and Chief Financial Officer to report to the Budget Advisory Committee on the service and financial implications of the Province's announcement to limit 2006 funding growth to 5 percent province-wide on Public Health's 2006 Operating Budget, once Toronto Public Health receives provincial approval of its 2006 funding request.

Communication (March 2, 2006) from the Honourable George Smitherman, Minister of Health and Long-Term Care, addressed to Mayor David Miller, regarding the Provincial directions for public health funding in 2006.

The Policy and Finance Committee also submits the report (March 23, 2006) from the City Manager and Deputy City Manager and Chief Financial Officer entitled “City of Toronto 2006 Budget Advisory Committee (BAC) Recommended Tax Supported Operating Budget”:

Purpose:

The purpose of this report is to present the 2006 Budget Advisory Committee (BAC) Recommended Operating Budget for the City Programs, Agencies, Boards and Commissions.

At its meeting of March 27, 2006 the Policy and Finance Committee will review the 2006 BAC Recommended Operating Budget and will forward its recommendations to Council for its deliberation. City Council’s consideration of the 2006 Recommended Operating Budget will occur at its special meeting of March 29, 30, 31, and April 5, 6 and 7, 2006.

Financial Implications/Budget Highlights:

2006 Budget Pressures:

The 2006 Budget Process, Directions, and Guidelines approved by Council, recognized that the City has a structural fiscal problem which has resulted in the continuing reliance on one-time revenues to balance the Operating Budget. This circumstance has culminated in a significant and untenable 2006 starting budget pressure of \$759 million of which \$439 million was attributed to one-time funding sources (see Table 1).

Table 1 2006 Operating Budget Analysis of Beginning Pressures (\$ Millions)		
Provincial Responsibilities:		
- Provincial Loan Deferral	20	
- Special Provincial Transfer	45	
- Gas Tax Revenues for Operating	92	157
City / Toronto Hydro One Time Funding:		
- Interest Income -- Hydro Note for Operating	67	
- Hydro Dividends -- for Operating	38	
- Special Dividends -- for Operating	30	
- Sale of City Lighting Assets	60	
- Reserve Draws	87	282
Total 2005 Unsustainable / One-time Funding		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

The major driver behind the City's budget pressures is that the accumulated cost of paying for provincial income redistributive programs reached the point where funding such services has put a drain on the delivery of basic municipal services. In 2006 alone, the cost of paying for Ontario Disability Support Program and Ontario Disability Benefits approximates \$168 million; the under-funded costs resulting from the Province's unilateral cap on its share of funding for downloaded social services are estimated at \$60 million; and the cost of the social housing draw on property taxes will increase to \$218 million. Furthermore, by reducing its pre-amalgamation responsibility for funding the Toronto Transit Commission's (TTC) operating budget, the Province has effectively transferred an additional \$210 million onto the property tax revenue base including operating and debt charge expenses. In total, by not fully funding its responsibilities the Province will transfer approximately \$731 million onto the property tax base in 2006.

Two independent studies conducted in 2005 corroborated the City's disclosure that it has a significant structural fiscal problem which, for the most part, is driven by an imbalance between the cost of downloaded services and provincial funding of these services. In one study, the Conference Board of Canada affirmed that the City has "a fiscal capital and operating problem that approximates \$1.1 billion in 2006 and will continue to grow if sustainable solutions are not found." In a separate study, the Toronto Board of Trade reinforced the City's call for new revenue sources and noted that "a significant mismatch exists between Toronto's expenditure responsibilities and its revenues sources...." Since amalgamation, the City has had to rely on one-time revenue solutions including unsustainable annual assistance from the Province to balance its budget.

Given the above fiscal realities, Council's 2006 Operating Budget Directions emphasized fiscal constraint, maximization of efficiencies and cost containment measures. Staff were asked to focus on services that were aligned to Council's highest priorities; to increase user fees while protecting access for the most vulnerable, and to consider service reductions. In addition to Council directions summarized above, a target of no more than 2 percent increase over the 2005 Net Expenditure Budget was approved for 2006, and targets of a 0 percent increase were set for 2007 and 2008.

2006 Budget Briefing:

At the January 4, 2006 Budget Briefing for the BAC and Policy and Finance Committee, staff presented a 2006 Proposed Net Operating Budget with a \$532 million pressure as indicated in Table 2 below. After reviewing the proposed budget, Standing Committees recommended additional expenditures which increased the budget pressure by \$7 million to \$539 million. BAC recognized that even with the cost containment measures that have been implemented over the years, there is limited room left to solve what is now a significant budget gap for the City without cutting services or service levels. BAC committed to look at all options internally and with the Province in order to address the problem and to permanently put Toronto on a stronger financial footing. In pursuit of this objective, BAC set out the following five strategies to address the structural fiscal problems and the more immediate \$539 million operating budget shortfall:

- (1) Committee and Council find further savings in the budget – that is, beyond the \$43 million already found as part of the Administrative Review;

- (2) the City consider appropriate tax increases and use of reserves and other revenues where necessary;
- (3) the Province pay for the increased cost of provincial programs and continue to defer repayment of the amalgamation loan;
- (4) the Province take back housing and income redistributive programs - funding such programs from the property tax does not work; and
- (5) The City be given access to revenues that grow when the economy expands. Revenues from growth may then be reinvested into maintaining city services.

After detailed reviews of City Program and ABC budgets, the 2006 BAC Recommended Operating Budget has been balanced without any major impact on services. However, after a combination of efficiencies, continuous improvements, user fee revenue increases, service rationalization strategies totalling \$167 million, and the Province responding favourably to the City's request to funding its responsibilities, it was still necessary to make substantive draws from reserves (about \$160 million in total) to address the shortfall and to minimize the increase in property taxes. Table 2 below summarizes the budget balancing strategies taken by the BAC.

Table 2		
2006 BAC Recommended Budget		
Pressure Reductions Strategies (\$ Millions)		
Starting Pressure		759
Council Approved Adjustments:		
Hydro Revenues (Interest \$67M, Dividends \$25M)	(92)	
Gas Tax Revenues	(92)	(184)
		575
Administrative Adjustments		(43)
Proposed Budget Pressure		532
Standing Committee Adjustments		7
Standing Committee Rec'd Pressure		539
BAC Adjustments:		
Base Budget	(119)	
New and Enhanced	(5)	(124)
		415
Financial Decisions:		
Additional Hydro Dividends	(21)	
Assessment Growth	(60)	
Additional Reserves	(113)	(194)
		221
Provincial Responsibilites:		
Loan Deferral	(20)	
TTC	(100)	
Ontario Municipal Partnership Fund	(35)	
EMS - increased subsidy	(10)	(165)
Net Budget Shortfall		56
Additional City Policy Options:		
Property Tax Increases (each 3% res \$37.1M, 1% non res \$18.5M)		(56)
Net Pressure		0

2006 Provincial Funding Responsibilities/Assistance:

As noted above, the recently tabled 2006 Provincial budget has included a number of Provincial revenues to the City for 2006 budget purposes. The Provincial funding includes the provincially announced increase in EMS funding (\$10.4 million), \$35 million from the Ontario Municipal Partnership Fund for high municipal social program costs relative to its residents' household incomes and a commitment to defer the Provincial loan in 2006 (\$20 million). More significantly, the Province is providing \$200 million to the City for transit operational funding which will be utilized for 2006 and 2007 in order to move to a 50 percent partnership.

In regard to the Provincial loan, the Province is setting up an accounting provision for the remaining balance of the loan. We will continue to work with the Province to reach a settlement related to the outstanding amount of the loan.

Most importantly, the Province has recognized the City's need for longer term fiscal solutions which will assist the City in moving toward a multi-year sustainable financial plan by committing to increased transit funding and recognizing the social assistance requirements through the commencement of the Ontario Municipal Partnership funding.

Thus, the Province has indicated it will work with the City in moving towards a multi-year sustainable financial plan including a commitment to enhance partnership funding in 2007 and beyond.

2006 BAC Recommended Operating Budget:

Table 3 summarizes the 2006 BAC Recommended Net Operating Budget before property tax increases. Overall, the gross budget increased by \$447.7 million or 6.3 percent. By comparison the net budget increased by \$115.3 million or 3.8 percent. Of this increase, \$106.5 million is attributed to the Base Budget to maintain existing services and \$8.8 million is allocated to address New and Enhanced Services to meet Council's highest priorities and to leverage additional funding from federal and/or provincial governments. Approved City tax policy restricts non-residential property tax increases to no more than one-third of residential tax increases. Therefore, the BAC recommends a residential property tax increase of 3 percent or \$37.2 million, and a non-residential property tax increase of 1 percent or \$18.4 million for a total increase of \$55.6 million in order to balance the budget.

Table 3 2006 BAC Recommended Operating Budget Summary (Before Assessment Growth) \$ Millions						
	Gross	Net	Change from 2005 Approved Budget			
			Gross		Net	
	\$	\$	\$	%	\$	%
2005 Approved Budget	7,135.0	3,016.5				
2006 Base Budget	7,433.2	3,123.0	298.2	4.2%	106.5	1.5%
2006 New Services	149.5	8.8	149.5	2.1%	8.8	0.3%
Total 2006 Recommended	7,582.7	3,131.8	447.70	6.3%	115.30	3.8%

In summary, the 2006 BAC Recommended Operating Budget generally maintains service levels and focuses on priorities of residents and businesses, with emphasis on community safety and strong neighbourhoods, the Children's Services Best Start program, celebrating the Year of Creativity and continuing the Toronto Clean and Beautiful initiative.

As has been the case in prior years, on average, more than 60 percent of property tax revenues are earmarked to pay for police, fire, emergency medical services, the TTC, garbage collection and recycling, libraries, parks and roads – services that most impact the quality of life of residents. Despite the very challenging fiscal constraints that exist, services and service levels have been generally maintained and key new investment priorities have been funded.

Downloaded provincial income redistributive programs onto the City along with TTC operating pressures have been the primary causes of the structural fiscal problem that confronts the City. To address this problem, the City has had to rely on non-recurring funding sources during the past several years. This strategy needs to be permanently resolved to ensure that the City remains economically viable and continues to realize its role as the economic engine of the province and country.

Noteworthy is that there is too much reliance on reserve draws. Recommended draws of approximately \$160 million from reserves are unsustainable. When reserve draws are combined with Hydro Revenues of \$113 million, the 2007 starting budget pressure for one-time revenues will approximate \$273 million (exclusive of 2007 inflation and growth pressures). These revenues have been reallocated from capital funding purposes and should only be utilized in 2006 as a transitional plan to long term fiscal sustainability.

Fiscal Sustainability and City/Provincial New Deal Partnership:

The *City of Toronto Act*, a significant and welcomed legislative requirement sought by the City during the past three years, provides some potential for modest new revenues. However, these new revenue sources will not be available to the City in 2006. The City cannot tax itself out of the problem or set user fees at a level where only few can afford the service. It is also not possible to eliminate complete services to fill the gap, as such actions would impact the City's economic competitiveness and Toronto citizens' quality of life.

It is imperative that the City permanently resolves its operating budget dilemma in order to alleviate the significant pressures on property tax revenues and to continue to provide the municipal services demanded by its constituents. As a start in moving to a new partnership, the provincial government had begun a change in municipal funding enhancements over the past two years with the transfer of gas tax funding, the enhanced provincial funding for Health Services and the deferral of the Provincial Loan.

The Province's 2006 Budget announcements makes significant progress related to TTC operating budget funding and our objective of 50 percent partnership funding. Also, there is recognition of social service pressures in Toronto which indicates a major step towards the New Deal and fiscal sustainability for the City of Toronto. The next step is for the Province to agree on a plan to fully upload the cost-shared social programs. These initiatives, when combined with the transfer of revenues that grow with the economy to the City (transitional over the 2007 - 2010 period), will provide the financial foundation to ensure the City's fiscal sustainability.

Recommendations:

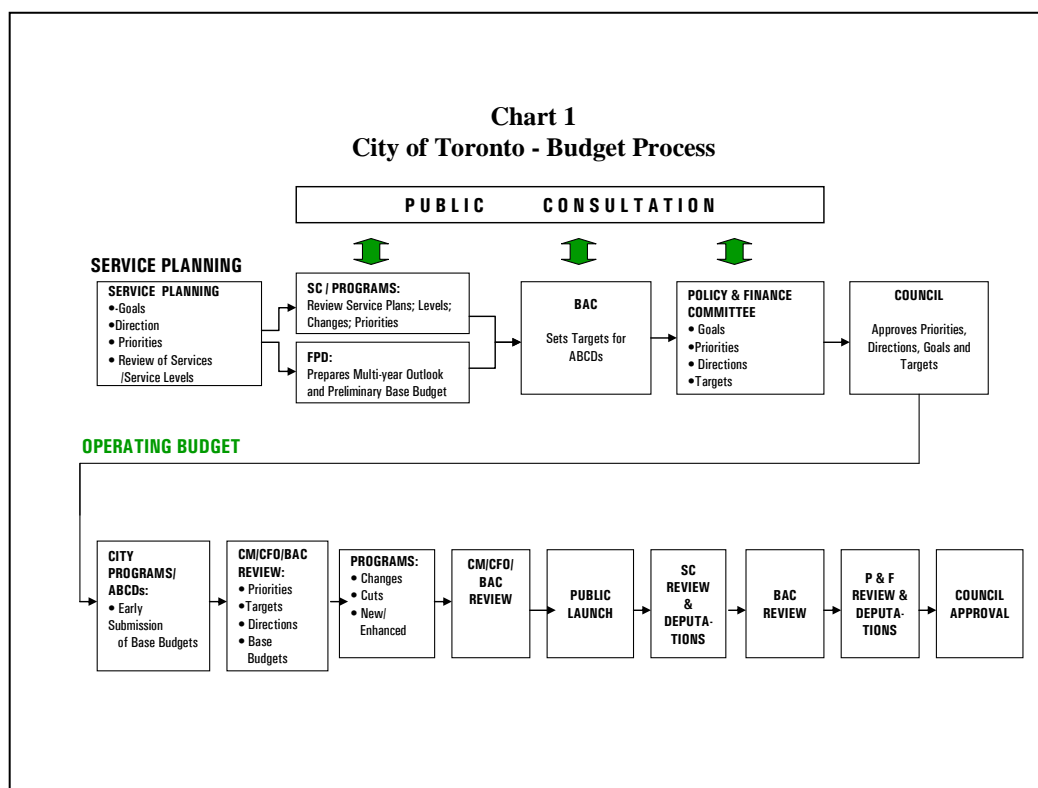
It is recommended that:

- (1) the 2006 BAC Recommended Non Program Revenue Budget be increased by \$135.0 million to recognize incremental commitments from the Province to fund its responsibilities;
- (2) the 2006 BAC Recommended Non Program Revenue Budget be adjusted for increased contributions from reserves and reserve funds totalling \$112.862 million;
- (3) the 2006 BAC Recommended Non Program Revenue Budget be adjusted for increased Hydro dividends of \$21.0 million;
- (4) the 2006 BAC Recommended Capital and Corporate Financing Budget be reduced by \$20.0 million based upon an agreement to defer the 2006 Provincial loan repayment installment and continuing discussions with the Province on the remaining balance of the loan;
- (5) the 2006 BAC Recommended Operating Budget of \$7.583 billion gross and \$3.132 billion net expenditures (before assessment growth), comprised of a Base Budget of \$7.433 billion gross expenditures and \$3.123 billion net, and a New/Enhanced Services budget of \$149.483 million gross and \$8.755 million net, as detailed in Appendix 1, be approved;
- (6) a residential property tax increase of 3.0 percent or \$37.232 million and a Commercial, Industrial, and Multi-residential tax increase of 1.0 percent or \$18.352 million be approved (after assessment growth);
- (7) the Program Recommendations regarding the 2006 BAC Recommended Operating Budget for each City Program, Agency, Board and Commission, as detailed in Appendix 3 be approved;
- (8) the increases in fees and charges included in the 2006 BAC Recommended Operating Budget for the City's Programs, Agencies, Boards and Commissions, detailed in Appendix 4, be approved;
- (9) the reports, transmittals and communications that are on file with the City Clerk's Office (including Appendix 6 herewith attached) as considered by the Budget Advisory Committee at its 2006 budget review meetings be received;
- (10) the additional subsidy of \$100.0 million from the Province be set aside in the TTC Stabilization Reserve for the 2007 TTC Operating Budget; and
- (11) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, including any necessary assessment/tax-related technical adjustments.

Background:

2006 Operating Budget Process:

At its meeting of May 17, 18, and 19, 2005 Council approved a report from the Deputy City Manager and Chief Financial Officer (DCM and CFO) entitled '2006 Budget Process, Directions and Guidelines' which recommended a new budget process for the City that focused on linking resources to service levels, service priorities and resultant community impacts. This process required clear links between budgeting and Council's strategic plan, priorities and program area service plans. It established the need for planning to take place over a longer-term horizon, with multi-year financial and operating plans and firm Five-Year capital plan approvals. It shifted the budget review focus onto service priorities, with service level trade-offs within a fiscal framework. Finally, the new budget process required Council to provide up-front directions and endorsement of corporate strategies, guidelines, budget priorities and targets.



The 2006 budget instructions required City Programs and ABCs to clearly detail the service levels that would be provided for resources requested. In addition, any request for new and enhanced services required detailed justification and prioritization.

The starting assumption for the 2006 Operating Budget process was that services and service levels approved in 2005 would be maintained wherever possible. Therefore, the 2005 budget was adjusted to annualize in-year Council initiatives and decisions. Next, the annualized base budget was adjusted for inflation. The result of the above exercise was the cost of continuing to provide the 2005 approved services and service levels in 2006 dollars.

Inflation/Economic Factors:

Table 4 lists the commodity specific inflation rates utilized to develop the 2006 Operating Budget. Excluding hydro, water, natural gas, salt, TTC diesel, and other contract-driven prices, the economic factors for 2006 were determined based on forecasts of leading private sector organizations (including the Chartered Banks, the Conference Board of Canada). These economic factors will continue to be reviewed and any significant changes that warrant in-year adjustments will be reported in the 2006 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 4 2006 Operating Budget Economic Factors (Revised January 2006)	
Expenditure	Economic Factors %
Printing & Paper Products	0.0
Food	2.1
Hydro	1.0
Gas	2.0
Steam Heating	20.0
Diesel	6.0
Natural Gas	10.0
Water	9.0
Postage	2.0
Telephone	0.0
Salt (City Contract)	4.0
Medical Supplies	3.0
General	2.0

Public Consultation:

Public consultation is a key element of the City's mature budget process. As part of the 2006, Operating Budget process, the public was provided with several opportunities to depute on the budget, first during Standing Committee meetings of January 5, 9, 11, 12, and 16, 2006, and again at the Policy and Finance Committee meeting of February 16, 2006. Further, four public consultation sessions were held across the City on February 4, 8, and 9, 2006, for the express purpose of receiving advice from citizens on the 2006 Operating Budget.

Participants were asked to express their concerns, and to provide advice and ideas about managing the City's expenses and increasing the City's revenue. The following highlights indicate a common theme at the four public consultation sessions:

Expenditures:

- (i) Provincial partnership in funding transit operations;
- (ii) the full cost of Social Housing and Social Services should be uploaded to the Province;

- (iii) the Federal Government should pay for services it has mandated such as policing of foreign embassies;
- (iv) the City should be more accountable and should undertake a thorough review of all programs;
- (v) any duplication of services run by City agencies should be streamlined; and
- (vi) a strategy to build-up the commercial tax base and attract more businesses and jobs should be created.

Revenues:

- (i) non-residents who utilize / enjoy the services provided by the City must be made to share the cost of these services;
- (ii) the City needs a sustainable form of revenue such as a share of hotel, sales tax and/or income tax; and
- (iii) progressive taxes that grow with the economy should be reallocated from the Provincial and Federal levels.

Although there was general agreement on the need to upload costs of social housing and social services to the other levels of government, the time period over which this should be done varied.

Council Priorities:

Council set priorities for its 2003 to 2006 term of office as follows: (1) improve public services, (2) make progress on the waterfront, (3) improve the business climate, (4) make Toronto a clean and beautiful city, (5) strengthen our at-risk neighbourhoods, (6) ensure housing is affordable, (7) get the powers and funding needed for Toronto to succeed, (8) improve the planning process and (9) increase public involvement in civic affairs. As part of the 2005 Operating Budget process, an initiative to align services and resource allocation to Council priorities was started. City Programs and ABCs were required to provide information in a structured fashion and to identify service / activity information and costs according to the nine established priorities. This initiative continued with the 2006 Budget process.

Given fiscal constraints, limited new investment in the 2006 BAC Recommended Operating Budget has been restricted to: Clean and Beautiful Initiative; 3-1-1 Customer Service Strategy and the Waterfront Initiative as well as spending priorities to address Community Safety particularly in at-risk neighbourhoods; Year of Creativity – Live with Culture; Transit - Ridership Growth Strategy; and, Waste Diversion Plan – 2010.

2006 Budget Objectives, Principles and Guidelines:

(a) 2006 Budget Directions:

In May of 2005, Council recognized the magnitude of the fiscal challenges that it was faced with and the need for fiscal restraint in developing the 2006 Operating Budget. While a permanent solution to the fiscal imbalance discussed above was the ultimate goal, it was evident that this would not fully materialize in 2006, thus prompting Council to provide the following 2006 Operating Budget Directions:

- (i) in order to address the significant gap in funding of provincially cost-shared programs, the following measures be adopted:
 - the City request that the provincial government recognize the actual cost of emergency and community services and meet its legislated obligation to fully cost-share those services for 2006;
 - the City review with the Province opportunities for service efficiencies in the administrative and reporting requirements for cost-shared programs; and,
 - consideration be given to service reductions in the Provincial cost-shared programs and/or further draws on related reserves to mitigate pressures on the City's property tax base.
- (ii) eligible revenues from the Provincial Gas Tax received in 2006 be used to fund the Toronto Transit Commission's operating budget;
- (iii) the City expand its current program of continuous improvement and efficiency initiatives to include service reviews and rationalization;
- (iv) where direct users can be identified, that City user fees be set to recover the full cost of the service and be increased by the rate of inflation, while ensuring that the most vulnerable are protected; and
- (v) services aligned to Council's highest priorities for 2006 be protected.

Notwithstanding best efforts to contain expenditures and to maximize efficiencies, uncontrollable pressures were quite significant and represented a major challenge for 2006. As was the case in 2005, containing the budget pressures associated with the delivery of services by City Program and ABC not under the direct control of the City proved to be difficult. In addition, the continuing structural revenue problem increased the challenge of maintaining services and service levels.

- (b) 2006 – 2008 Operating Budget Targets (2006 – 2 percent; 2007 – 0 percent and 2008 – 0 percent)

On July 19, 2005, the City Manager and the Deputy City Manager and Chief Financial Officer issued to staff the following multi-year targets: 2 percent increase over the 2005 Council Approved Operating Net Expenditure for 2006 and 0 percent increase for each of 2007 and 2008. The multi-year target approach considered 2006 to be a transition year and recognized that sustainable budget reduction strategies tend to take longer than one year to implement or to fully realize associated cost savings.

Comments:

City of Toronto Economic Profile – Setting the Context for 2006:

Despite the fiscal challenges that confront it, the City of Toronto continues to implement public policies that are geared toward ensuring a strong economy, and that the City remains an attractive place in which to do business. Toronto is Canada's head office city with the largest concentration of head offices (comprised of a unique diversity of industry sectors) of any city in the country. The Toronto industry sector is comprised of major North American industry clusters vital to the new economy. As has been pointed out by the Toronto Board of Trade, "these clusters are the drivers of innovation and prosperity and are essential to the economic success of the city and country." The indices below confirm that Toronto continues to do very well economically and to outpace the rest of the Toronto Census Metropolitan Area in many key areas.

Key Indices:

Table 5 compares 2005 key indices between the City of Toronto and the Toronto Census Metropolitan Area (CMA) which is comprised of the City of Toronto plus 23 surrounding municipalities in the 905 area. Although the City's land area is 10.7 percent of the CMA, it accommodates 49.0 percent of the total CMA population. Similarly, 76,000 or 49.7 percent of businesses in the CMA operate in the City of Toronto. The per capita income in Toronto is slightly lower than that of the CMA; however, the average price of a resale single detached house is higher in Toronto. Of the 41,596 Housing Starts in the Toronto CMA, 15,602 or 37.5 percent were in the City of Toronto.

Table 5 Comparison of 2005 Key Indices City of Toronto vs. Census Metropolitan Area (CMA)		
Key Indices	City of Toronto	Census Metropolitan Area (CMA)
Population (inter-censal estimates)	2,607,637	5,304,090
Land Area Km ²	630	5,903
Labour Force	1,425,330	2,970,630
Number of Businesses	76,000	153,000
Gross Domestic Product (in 2004 \$ B)	\$127	\$262
Per Capita Income \$ (estimate))	33,555	34,648
Average Household Income \$ (2001 Census)	69,125	76,454
Average Price of Resale Single Detached \$	503,018	437,204
Housing Starts	15,602	41,596

Table 6 below provides statistics on building permit activity in the City of Toronto and the Toronto CMA. Overall, the total number of building permits issued in the City in 2005 increased by 173 or 1.5 percent compared to a decrease of 4,502 or -8.6 percent in the CMA. The City realized a 4.7 percent increase in the number of residential permits issued in 2005. By comparison, the number of residential permits issued in the Toronto CMA declined by -11.9 percent.

Table 6 Comparison of Building Permits: 2005 vs 2004						
	City of Toronto 2005	City of Toronto 2004	Year over Year Change %	CMA 2005	CMA 2004	Year over Year Change %
Residential - Value (\$000s)	2,917,053	1,887,608	54.5	7,506,849	7,644,663	(1.80)
- No. of Permits	7,367	7,038	4.7	36,091	40,969	(11.9)
Commercial - Value (\$000s)	962,149	947,455	1.6	2,143,597	2,198,476	(2.50)
- No. of Permits	3,588	3,697	(2.9)	7,458	7,879	(5.34)
Industrial - Value (\$000s)	81,384	181,167	(55.1)	676,638	913,757	(25.9)
- No. of Permits	310	379	(18.21)	2,013	2,139	(5.89)
Institutional - Value (\$000s)	449,163	733,096	(38.73)	1,058,134	1,387,785	(23.75)
- No. of Permits	461	439	5.0	2,013	1,090	84.7
TOTAL - Value (\$000s)	4,409,749	3,749,326	17.6	11,385,218	12,144,681	(6.25)
- No. of Permits	11,726	11,553	1.5	47,575	52,077	(8.6)
Source: Statistics Canada						

City of Toronto – Limited Revenue Base:

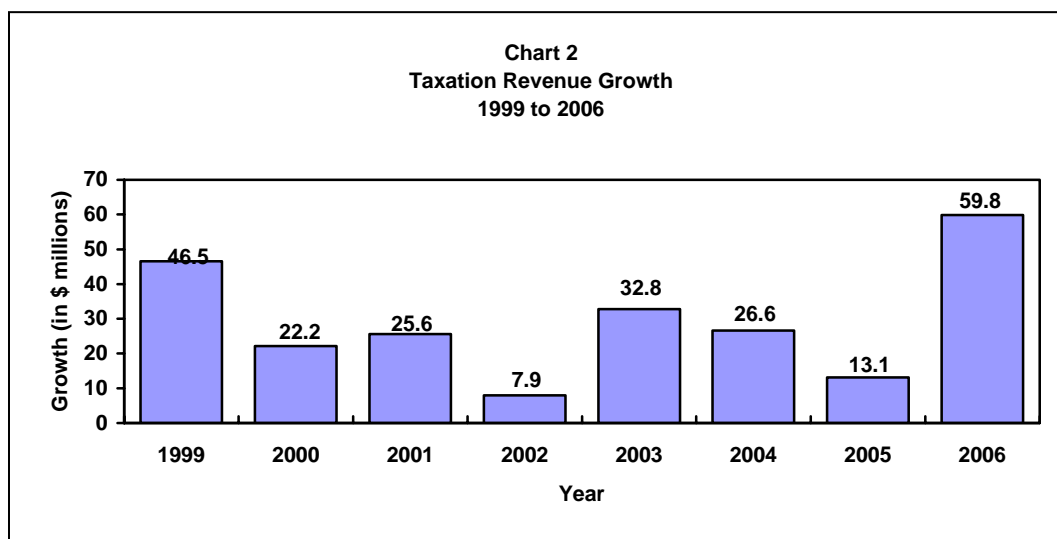
Overall, these indices indicate that the Toronto economy and outlook continue to be quite favourable and, in general, has outpaced the CMA. However, the City has not benefited directly from the successes it has generated since its revenues are not tied to the economy. While the City's policies generate economic growth, the real beneficiaries are the federal and provincial governments whose revenue intake is directly correlated to income and the economy (i.e. sales and income tax).

Over and above property taxes, user fees and grants from State and Federal governments, American cities have authority to implement a wide range of consumption and growth related taxes, to run deficits and to borrow money for their operating budget (See Table 7 above). They have a greater degree of fiscal and policy flexibility. In contrast, a significant proportion of the services provided by the City of Toronto is either mandated by the Province or is for the emergency services. Further exacerbating the fiscal issue is the fact that the Province has not provided sufficient funds or adequate financial tools to cover the cost of providing downloaded social services. In addition, the demand for several of the downloaded or mandated social services tends to increase with population growth and economic conditions, while the principal revenue source of property tax is inelastic.

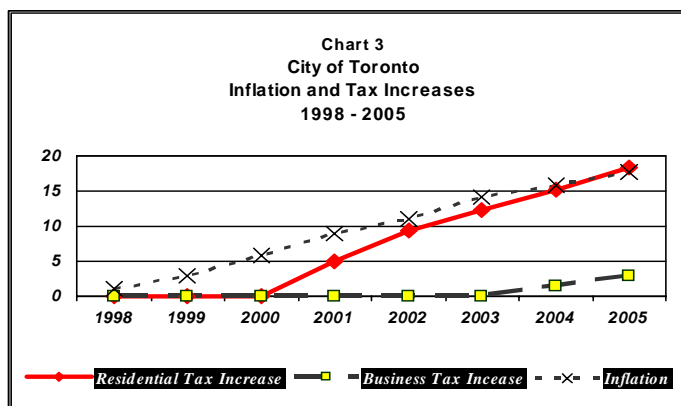
Table 7 Municipal Fiscal Authority Toronto and U.S.A.		
	Toronto	U.S.A.
Property tax	*	*
Sales Tax		*
Hotel / motel tax		*
Fuel tax		*
User Fees and Charges	*	*
Income tax: individual and corporate		*
Development Charges	*	*
Tax-exempt municipal bonds		*
Tax incentives		*
Grants to corporations		*
Borrow money	*	*

Assessment:

Chart 2 below shows a history of assessment growth and related changes to ‘taxation’ revenues from 1999 – 2006. With the exception of 1999 and 2006, growth has been averaging less than 1 percent of the total property tax base (or less than \$30 million):



On average, property taxes represent approximately 43 percent of the City of Toronto’s total revenues. During the period 1998 to 2000 - the first term of Council after amalgamation - a zero tax increase policy was adopted. Subsequently, residential property taxes were increased by 5 percent in 2001, 4.3 percent in 2002, and 3 percent in each of 2003 and 2004. Influenced by provincial constraints, business property taxes remained unchanged until 2004 when a 1.5 percent increase was imposed. In 2005, residential property taxes increased by 3 percent while non residential taxes increased by 1.5 percent. As evident in Chart 3 below, cumulative residential property tax increases finally caught up with inflation in 2005.



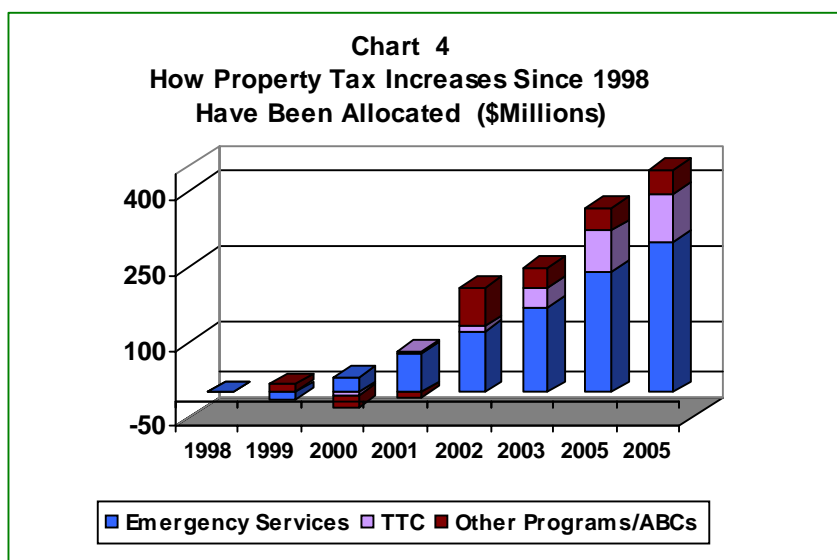
Causes of Toronto's Fiscal Challenges:

Unlike large cities in the European Union and USA, the City of Toronto has had to rely on three main revenue sources to provide a wide range of services and to meet the uncontrollable increasing cost of inflation and growth. On a \$7 billion expenditure budget, inflation at current rates imposes an approximate \$250 - \$300 million pressure (exclusive of growth) on the City's budget annually. In addition there is an increasing demand for services associated with population growth, and new services to fulfill Council's priorities and to meet quality of life expectations of the public.

Further compounding the problem is under-funding of services downloaded by the Province. Without revenue sources that grow with the rate of expenditure increases, the City has had to rely primarily on continuous improvements and efficiencies, limited user fee increases, property tax increases, and restricted and unsustainable assistance from the Province to balance its budget. Typically, the Province has offered only one-time assistance (ranging from a low of \$50 million in 2001 to a high of \$90 million in 2004), which does not permanently remedy the fiscal problem that exists. As well, the City has had to rely on its own internal one-time revenue contributions (growing to \$282 million in 2005) to fill the gap in recurring revenues since amalgamation (see Table 8).

Table 8 2001 - 2005 Provincial and City One-time Funding					
	\$Millions				
	2001	2002	2003	2004	2005
Provincial Assistance:					
Deferral of Provincial Loan Repayment			10	20	20
Provincial Subsidy	50		64	70	45
Total Provincial Assistance	50	0	74	90	65
Internal Funding Initiatives:					
Continuous Improvement / Efficiency	40	45	50	60	60
One Time Internal Funding:					
Reserves	41	72	99	69	87
Hydro Revenues				92	195
Other One Time					
Total One Time Internal Funding	41	72	99	161	282
Property Taxes:					
Tax Increase	48	44	32	59	62
Assessment Growth / Change	26	8	33	27	13
Total Property Taxes	74	52	65	86	75
Total Internal Funding Initiatives:	155	169	214	307	417

Chart 4 below confirms that a sizable portion of property tax revenue increases since 1998 have been utilized to pay for the increasing cost of emergency services (police, fire and emergency medical services) and transit. Property taxes in 2005 totalled \$3.016 billion compared to \$2.575 billion in 1998. This represents a \$441 million or 17 percent increase, of which 90 percent or \$394 million was used to pay for increases in transit and emergency services. In effect, only the remaining \$47 million or 10 percent of the cumulative 2005 property tax revenue increase (when compared to 1998) was available to pay for inflation and growth initiatives for the balance of City municipal services and ABCs. At the same time, since 1998, the cost of Provincially-mandated services has grown by \$214.723 million or 8.4 percent, while the Provincial subsidy has increased by \$7.846 million or 1.0 percent.



The operating risks associated with the above fiscal challenges are significant. It is critical that sustainable fiscal solutions be obtained to enable the City of Toronto to continue to serve its constituents, and to remain economically competitive in the global marketplace. Achievement of the latter would be beneficial to both the Ontario and the Federal governments - evidenced by the fact that the City sends \$11 billion in revenue to other orders of government excess of what it gets back from them.

New Deal and Funding Plan:

In a 'Five Year Plan to Put Toronto on Stable, Sustainable Financial Footing', the Conference Board of Canada study indicated that the City "faces an annual imbalance of \$1.1 billion between the cost of its service responsibilities, and the amount of money it raises to provide those services." Further, the Plan attributed the reason for the imbalance to the City's obligation "to pay for services, such as social programs, when they should be paid for by the Province, as in the rest of Canada" and reinforced the fact that, "the City has no access to growing revenue sources, such as sales or income taxes, unlike many other large North American cities, nor will the new City of Toronto Act provide the means to address the fiscal imbalance."

The 'Five Year Plan to Put Toronto on Stable, Sustainable Financial Footing' attempts to address the fiscal imbalance referenced above and proposes solutions which required all orders of government to fulfill their responsibilities. Key responsibilities and actions included in the Five Year Plan, implementation of which begins in 2006 are as follows:

City Actions:

- (i) restrict program-spending growth to 2 percent in 2006, and 0 percent in 2007 and 2008, and continued fiscal restraint in 2009 and 2010;
- (ii) manage the imbalance created through increased debt, deferred expenditures and use of non-recurring funding sources for the first four years;
- (iii) modest increase in City building initiatives; and
- (iv) use of the new revenue strategy under the new *City of Toronto Act in 2007 and 2008*.

Provincial Actions:

- (i) implement new *City of Toronto Act*;
- (ii) honor program cost sharing arrangements;
- (iii) fund 100 percent ODSP/ODB administration and mandatory benefits programs;
- (iv) forgive transition loan payments;
- (v) increase base gas tax transfer for transit to 1.5 cents in 2006 and 2.0 cents indefinitely;
- (vi) Increase sales tax transfer to 1/16th of PST (1/2 percent) and/or comparable GST;
- (vii) initiate and continue phase-in to achieve 50:50 City/Provincial funding for TTC operating budget over the five-year period;
- (viii) adopt a five-year plan to change the City's structural imbalance in 2006; and
- (ix) take back GO Transit expansion cost in 2007.

Federal Actions:

- (i) increase gas tax transfer for transit (population based) to 1.5 cents in 2006, 2 cents in 2007, 2.5 cents in 2008 and 5 cents thereafter; and
- (ii) amend Bill C48 gas tax transfer for transit, ridership based in 2006, 1 cent of gas tax permanently.

The City of Toronto has determined that if these actions are adopted by the three orders of government, its fiscal imbalance will be remedied over a five-year phased-in approach at a declining rate of: \$496 million in 2006, \$445 million in 2007, \$190 million in 2008, \$155 million in 2009 and zero in 2010.

The City of Toronto Act:

On September 17, 2004, the City of Toronto and the Province officially launched a joint Toronto-Ontario review of the City of Toronto Act, 1997 and other private (special) legislation. The purpose of the review was to develop recommendations for a modernized City of Toronto Act that would provide the City with an enabling legislative framework commensurate with its responsibilities, size and significance to the Province. Associated objectives of this review include the following:

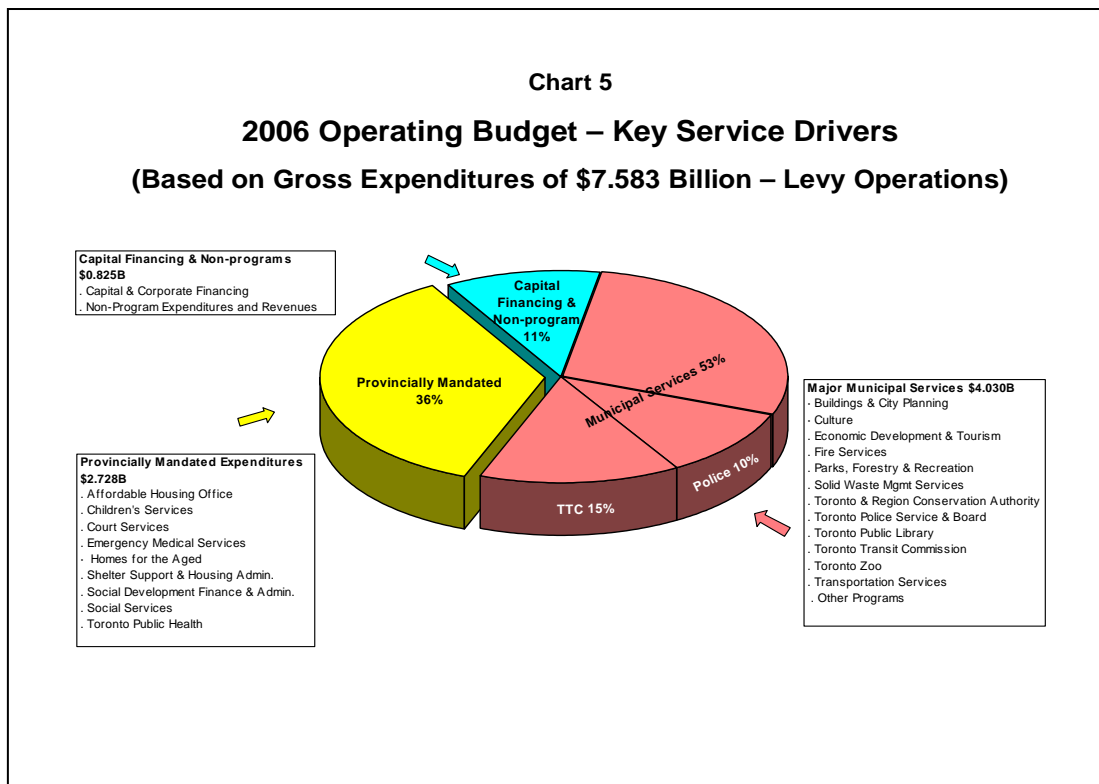
- (i) make the City of Toronto more fiscally sustainable, autonomous and accountable;
- (ii) improve Ontario's quality of life and competitiveness by equipping Toronto with the legislative tools it requires to thrive as a modern, global urban centre; and
- (iii) reduce red tape and improve the efficiency of the government of Ontario and Toronto by eliminating duplicate, unnecessary and time-consuming measures that provide little public benefit.

The Task Force established to review the City of Toronto Act and other private (special) legislation suggested that a modernized City of Toronto Act should fundamentally alter the way Ontario empowers Toronto. The Act should start from the premise that Toronto can exercise broad permissive governmental powers within its jurisdiction, subject only to exceptions in the provincial interest. Toronto requires a wider mix of revenue sources to better meet its financial requirements and more effectively achieve public policy objectives. 'Toronto also requires broader scope ... to raise revenue and manage its financial and physical assets.' Providing Toronto with expanded financial management and revenue tools will make the City more fiscally sustainable, autonomous and accountable.

2006 BAC Recommended Operating Budget:

2006 Key Service Drivers:

Chart 5 below highlights the percentage breakdown of the 2006 BAC Recommended Budget by key service drivers. Provincially-mandated Programs make up 36 percent or \$2.728 billion, Municipal Services total 53 percent or \$4.030 billion while Capital Financing and Non-Program Accounts comprise 11 percent or \$0.825 billion of the City's 2006 Operating Budget.



The structural fiscal problem faced by the City presented major challenges in producing a balanced budget for 2006. As a starting point, the City had an overwhelming \$759 million pressure mainly engendered by unsustainable budget balancing solutions. In addition to the one time revenue problem, the impact of inflation on expenditures continued to be significant, particularly because the City's revenues are not similarly tied to income. Despite the fact that most City Programs achieved the assigned 2 percent net expenditure target, the City again had to rely on non-recurring revenue solutions. In effect, while the Programs and ABCs demonstrated their commitment to fiscal prudence, once again the City had to resort to the use of strategies that are inconsistent with its budgetary and fiscal principles, including about \$160 million of reserve funding.

Table 9 presents the 2006 BAC Recommended Gross Operating Budget totalling \$7.583 billion which is an increase of \$447.633 million or 6.3 percent over the 2005 Approved Operating Budget. The 2006 BAC Recommended Net Operating Budget is \$3.132 billion, an increase of \$115.345 million or 3.8 percent over 2005 before assessment growth.

Table 9 2006 BAC Recommended Operating Budget								
(\$000's)	2005 Approved Budget		2006 BAC Rec'd Budget		Change from 2005 Approved Budget		Change from 2005 Approved Budget	
	Gross	Net	Gross	Net	Gross	%	Net	%
CITY OPERATIONS								
Citizen Centred Services "A"	2,665,347.3	897,888.5	2,835,642.1	963,601.7	170,294.8	6.4%	65,713.2	7.3%
Citizen Centred Services "B"	981,829.7	681,969.3	1,019,992.1	707,954.4	38,162.4	3.9%	25,985.1	3.8%
Internal Services	281,778.8	143,315.9	289,511.9	145,660.2	7,733.1	2.7%	2,344.3	1.6%
City Manager	34,378.3	32,272.5	36,177.5	33,811.2	1,799.2	5.2%	1,538.7	4.8%
Other City Programs	91,121.2	62,243.9	100,764.9	72,226.4	9,643.7	10.6%	9,982.5	16.0%
City Operations	4,054,455.3	1,817,690.1	4,282,088.5	1,923,253.8	227,633.2	5.6%	105,563.8	5.8%
Agencies, Boards and Commissions	2,270,654.1	1,235,322.9	2,429,936.4	1,293,109.0	159,282.4	7.0%	57,786.2	4.7%
Community Partnership and Investment Program	44,157.3	38,862.1	45,357.9	40,174.9	1,200.6	2.7%	1,312.8	3.4%
Capital & Corporate Financing	455,964.7	432,464.7	481,477.8	476,546.8	25,513.1	5.6%	44,082.1	10.2%
Non Program	309,780.0	(507,856.7)	343,783.3	(601,256.3)	34,003.3	11.0%	(93,399.6)	18.4%
Levy Operating Budget - Before Assessment Growth	7,135,011.4	3,016,483.0	7,582,643.9	3,131,828.3	447,632.5	6.3%	115,345.3	3.8%
Assessment Growth -- 2006	0.0	0.0	0.0	(59,761.3)	0.0	n/a	(59,761.3)	n/a
Total Levy Operating Budget - After Assessment Growth	7,135,011.4	3,016,483.0	7,582,643.9	3,072,067.0	447,632.5	6.3%	55,584.0	1.8%

Key Base Program Pressures:

Finally, the 2006 assessment growth of 2.0 percent or \$59.8 million results in a 1.8 percent net expenditure increase of \$55.6 million.

New/Enhanced Services:

The 2006 BAC Recommended Operating Budget includes funding to invest in key City priorities. Investment in new services total \$149.483 million gross and \$8.755 million net. This was achieved by restricting new investments to those initiatives that are critical to achieving Council priorities, and those that leveraged third party funding in order to minimize any incremental financial impact on the 2006 budget shortfall.

Table 10 below summarizes the 2006 BAC Recommended New / Enhanced services by Council highest priorities.

Table 10		
BAC Recommended New / Enhanced Services		
Description	\$000s	
	Gross	Net
Council's Highest Priorities:		
Strong Neighbourhoods	34,365.2	4,858.4
Clean & Beautiful	542.5	542.5
Year of Creativity	3,250.0	1,500.0
Waterfront Initiative	152.0	105.0
Total Council's Highest Priorities	38,309.7	7,005.9
Best Start (Children's Services)	95,608.0	
Housing Initiative(s)	4,036.8	
Courts - Off Duty Police Court Attend.	1,200.0	(300.0)
Other Program New/Enhanced	7,483.3	1,285.7
Total New and Enhanced	146,637.8	7,991.6

Community Safety and Priority Strong Neighbourhoods:

The Community Safety Plan has been established to improve public safety and build on existing strengths in our communities. The plan involves four pillars: Strong Neighbourhoods strategy, Crisis Response, Youth Opportunities and Youth Justice. The Community Safety Secretariat coordinates the various components of the Community Safety Plan which spans across several City programs to improve public safety and build on existing strengths in the community.

Table 11 below highlights, by program, new investment included in the 2006 BAC Recommended Operating Budget of \$34.365 million gross and \$4.858 million net as well as an increase of 276.7 approved positions for the continuing work for the Community Safety and Priority Neighbourhoods Plan. Continuation of this Plan in 2007 will require net funding of \$5.670 million.

Table 11				
Initiatives Supporting Community Safety (\$000s)				
Program	2006			2007 Outlook (Net)
	Gross	Net	Approved Positions	
Children's Services		-	-	-
Best Start - 1810 new child care spaces	18,000.0	-		
After School Program - 3,600 after-school child care spaces	3,700.0	-		
Social Development, Finance & Administration				
Community Crisis Response Team in 13 Priority neighbourhoods	312.5	312.5	3.0	64.0
Neighbourhood Action Community Development - six additional priority communities	425.6	425.6	-	96.0
Youth Outreach Program for high-risk youths (includes \$150K in CPIP Budget)	175.0	175.0	6.0	125.0
Youth Employment and Local Leadership involving Youths in community development	1,958.0	-	1.0	-
Youth Action, Youth Safety - involving Youths in skill building workshop	124.4	-	-	-
Parks, Forestry & Recreation				
Implementation of Youth Recreation Strategy - "After School Youth" and "Drop-in Social Clubs for Youth with Disabilities"	154.8	154.8	2.9	154.8
Toronto Police Service				
Pathfinders - enhanced court security	934.5	934.5	-	-
Hiring of new police officers	6,300.0	1,900.0	204.0	2,059.0
Toronto Transit Commission				
Hiring of 11 new constables	242.8	242.8	11.0	2,670.8
Toronto Public Health				
Enhanced service to priority neighbourhoods	2,037.6	713.2	48.8	500.8
TOTAL	34,365.2	4,858.4	276.7	5,670.4

Clean and Beautiful City Initiative

Consistent with Council priorities, 2006 BAC Recommended Budget includes new funding for the City's Clean and Beautiful initiative. In 2005, Phase 1 of the initiative focused on cleaning up the City for which Council allocated \$2.6 million solely for clean city initiatives. Phase 2, for 2006, continues the clean city initiatives and introduces actions to beautify Toronto with the participation and assistance of the public and private sector (see Table 12). The Five-Point City Action Plan to Make Toronto a Clean and Beautiful City was approved by Council at its meeting on November 30, December 1 and 2, 2004. The five key actions are Sweep it, Design it, Grow

it, Build it and Celebrate it which are to be implemented over a 3-year period. The plan represents an ongoing cycle of activities in which the City and its residents are engaged at all times.

Table 12 City of Toronto Clean and Beautiful Initiative Summary of 2006 Base Budget and New Funding (\$000s)			
Actions	Base Budget Funding	New/Enhanced Services	2006 Proposed Operating Budget
1. SWEEP IT	294.6	406.7	701.3
2. DESIGN IT	(129.5)	15.0	(114.5)
3. GROW IT	1,475.7	-	1,475.7
4. BUILD IT	(185.0)	120.8	(64.2)
5. CELEBRATE IT	(50.0)	-	(50.0)
Total	1,405.8	542.5	1,948.3

The 2006 BAC Recommended Operating Budget includes funding in the amount of \$1.948 million for Clean and Beautiful City initiatives of which \$1.406 million is for base funding that provides full funding for initiatives that began in 2005 and \$0.543 million is for new / enhanced activities in 2006 such as: \$0.015 million to implement the Municipal Benefits of Green Roofs Study and the recommendations of the New Official Plan; \$0.407 million to provide maintenance services to orphaned areas like expressway ramps and medians; and \$0.121 million to continue implementing the Neighbourhood Beautification Program in 2006 to identify and deliver beautification projects in each of the City's 44 wards.

Year of Creativity – Live with Culture:

The Culture Plan approved by City Council calls for Toronto to catch the wave created by the completion of an unprecedented number of cultural facilities through a celebration of culture in 2006, the 'Year of Creativity'. This program allows Culture to continue promoting a healthy environment for community arts as well as promote and facilitate a citywide community arts network. Heritage programs will also continue to be revitalized to meet emerging community needs in terms of access to collection, research and community based programs. Culture will also continue to broker partnerships among various sectors including internal and external partners, businesses and agencies, building on the successes achieved.

Within the 2006 Operating Budget for Culture, the Budget Advisory Committee has recommended \$3.25 million gross and \$1.5 million net for the Year of Creativity subject to the program securing \$1.75 million in revenue from Provincial, Federal governments and other sources. Activities include the development of a web portal (LiveWithCulture.ca), a fact the arts campaign, Domestic Marketing, Community arts Projects Targeted at Children and Youth, Songs from Above the Treeline, enhanced Doors Open, Humanitas Festival, Aboriginal Public Art Project, Nature in the Garage and Nuit Blanche.

Waterfront Secretariat:

The purpose of the Toronto Waterfront Secretariat is to lead and direct the City's participation in the Toronto Waterfront Revitalization Initiative as well as to ensure that all City divisions, boards, agencies, commissions and corporations assist in implementing the Waterfront Revitalization Initiative in a coordinated, efficient and cost-effective manner. The Secretariat acts as the liaison between City divisions, agencies, boards, commissions and corporations and the Toronto Waterfront Revitalization Corporation. Negotiating with other governments on major issues of governance, funding, legal documentation and land contributions is among the roles of the Secretariat.

City Council approved the Five-Year Business Plan/Ten Year Forecast for Waterfront Revitalization Initiative in September 2005. With the cost sharing agreements between the Federal, Provincial and City governments now in place, the Waterfront Revitalization Initiative is transitioning from a "planning" to an "implementation" phase of the Waterfront project. As a result, it is anticipated that there will be a significant increase in workload in 2006 and beyond to deal with numerous complex issues such as brownfield liabilities, land/asset management, governance, Gardiner/Lakeshore corridor, business attraction and relocation, communications protocol and strategy. In order to address the increase in workload and to ensure that the Initiative Capital Program is delivered on a timely basis, the 2006 BAC Recommended Operating Budget includes additional funding in the amount of \$0.152 million gross and \$0.105 million net for 2 new positions: the conversion of a temporary Project Officer position to permanent, and a new temporary Technical Co-ordinator position (the latter cost to be funded from the Capital Budget).

The 2006 BAC Recommended Operating Budget includes funds in the amount of \$0.994 million gross and \$0.827 million net for the operation of the Waterfront Secretariat.

3-1-1 – Customer Service Strategy

The 3-1-1 Customer Service Strategy aims to simplify public access to City services through a single gateway over the telephone and on the City Web site, using modernized, streamlined service processes, and by implementing an electronic tracking system to monitor all customer service requests from receipt to completion. Included in the 2006 BAC Recommended Operating Budget is a net amount of \$389.1 thousand for the Project Management Office (PMO) for the 3-1-1 project. This will cover the cost of annualization of staff, equipment, administrative and other associated costs of the PMO essentially to ensure strategic planning and implementation of the initiative.

Best Start:

The BAC approved \$95.6 million gross and zero net for the Best Start program. Under Best Start, the City must develop a plan to use existing vacant child care spaces to increase licensed spaces and more child care fee subsidies in 2005/2006 with a priority for children in Junior Kindergarten and Senior Kindergarten and a gradual expansion for children aged 0-4 years of age, and work with the Best Start Network to develop a longer term plan to implement early learning and care hubs. As well, through the Best Start Transitional Infrastructure Plan, the City will identify renovation and new building requirements for the transition year of 2005/2006 and beyond.

The City has received \$73.467 million for the provincial year 2005/2006. The City approved a three year plan from April 2005 to March 2008 assuming an additional \$125 million in annual funding by 2008. The plan proposed the creation of new licensed child care spaces through renovation and/or construction of current or new facilities using Best Start capital funding. The plan recommends Best Start operating funding be used to increase the number of fee subsidies, provide for increased funding for wage subsidies, improve supports for children with special needs, and maintain the current system through wage improvements, increases to per diem rates and funding for health and safety. Included in the 2006 Operating Budget is \$18.0 million in Best Start funding that will be used to create 1,810 new child care spaces in 41 expansion sites in the priority neighbourhoods as included in Table 11.

Recent Federal and Provincial announcements with respect to the National Early Learning Child Care and Best Start programs will have an impact on the City's ability to implement the Best Start plan because the City will only receive approximately \$18.0 million per year for the next four years instead of the \$125 million. The Children Services Division will be reviewing the impact from these announcements and bringing a revised plan for Council's approval in the Spring of 2006. However, there is sufficient funding for 2006 and well into 2007 to maintain current service levels included in the 2006 BAC Recommended Operating Budget.

Actions Taken to Balance the 2006 Budget:

As part of the administrative review process, the Financial Planning Division analyzed program submissions to ensure compliance with Council directions and guidelines and presented findings and recommendations to the City Manager and Deputy City Manager and Chief Financial Officer (DCM and CFO) for consideration. Through detailed reviews that focused on optimizing revenues and minimizing cost increases while maintaining base services, the 2006 Budget request from City Programs and ABCs was reduced by \$43 million. Budget issues were presented at the January 4, 2006, Joint meeting of the Budget Advisory and Policy and Finance Committees. The \$532 million remaining budget pressure contained in the proposed budget was mainly a function of the one-time revenues that were used to balance the 2005 Operating Budget.

Standing Committees reviewed the 2006 Proposed Operating Budget for programs falling under their respective jurisdictions. Standing Committees received public deputations and were responsive to ideas provided by deputants. Recommendations of Standing Committees were presented to the BAC for consideration. Altogether, Standing Committees increased the 2006 Proposed Budget by adding \$2.1 million to the base budget and \$4.9 million in funding for New/Enhanced services resulting in a total increase of \$7 million.

Faced with a 2006 budget shortfall of \$539 million, the BAC explored every opportunity to constrain expenditure increases, and to increase user fee revenues without negatively impacting the most vulnerable. Every City Program and ABC was reviewed to ensure that services are being provided efficiently.

In January 2006, the Chair of the BAC emphasized that in order to reduce the substantive pressures in the 2006 BAC Recommended Operating Budget, programs needed to identify further cost savings of at least \$50 million. The Mayor and the Chair of BAC instituted a City-wide cost containment strategy that, for the balance of 2006 until the first quarter of 2007,

restricts hiring to only essential positions and further, imposed constraints on discretionary spending. It was estimated that the hiring freeze and other spending restraint measures will generate savings of \$10 million across the corporation.

By February 14, 2006, the BAC had, through its further review of City programs and detailed review of ABCs, made budget adjustments that resulted in a \$117 million reduction to the base budget with minimal impact on service levels. Any further reduction to the budgets of City Programs and ABCs would have required service reductions and / or elimination.

To mitigate the remaining pressure of \$415 million, the Province has provided increased funding totalling \$165 million comprised of the following:

- (i) \$10.4 million for the Critical Care Strategy which begins to restore the Provincial funding share to 50 percent for Emergency Medical Services by 2008;
- (ii) \$100 million for TTC operations;
- (iii) \$35 million from the Ontario Municipal Partnership Fund to address the City's Municipal social service program costs relative to its residents; and
- (iv) \$20 million for Provincial loan repayment deferral.

With limited other revenue options, the BAC has recommended additional draws from reserves and reserve funds of about \$113 million, and to increase taxes to balance the budget. After assessment growth of \$59.8 million, the 2006 budget pressure has been reduced to \$55.0 million. The BAC has recommended a 3 percent residential property tax increase to generate \$37.2 million, and 1 percent commercial, industrial and residential property tax increase which will generate \$18.4 million.

2006 Budget Highlights:

The 2006 BAC Recommended Operating Budget achieves the goal of protecting important and essential services and service levels. As well, it ensures that services are being delivered efficiently. This budget optimizes non-tax revenues while ensuring fair access to all residents.

Table 13 details the 2006 BAC Recommended Operating Budget by major expenditure and revenue category. Salaries and Benefits, which total \$3.517 billion or 46 percent of the gross expenditure, represent the largest expenditure category. Emergency services (Fire, Police and EMS) and TTC alone total \$1.932 billion, approximately 55 percent of the total salary and benefit budget. Property taxes constitute the major source of revenue in the amount of \$3.132 billion or 41 percent.

Table 13 2006 BAC Recommended Operating Budget Summary by Expenditure and Revenue Category (in \$000s)				
Category	2005 Approved	2006 BAC Rec'd	Change from 2005 Approved Budget	
	\$	\$	\$	%
Salaries and Benefits	3,341.2	3,517.2	176.0	5.3
Materials and Supplies	397.4	436.4	39.0	9.8
Equipment	47.1	46.4	(0.8)	(1.6)
Services and Rents	1,122.6	1,198.2	75.6	6.7
Contribution and Transfers	2,009.0	2,132.5	123.5	6.1
Other	274.7	272.0	(2.7)	(1.0)
Total Gross Expenditures	7,192.1	7,602.6	410.6	5.7
Grants from Others	1,693.9	1,879.5	185.7	11.0
User Fees	1,071.6	1,126.3	54.7	5.1
Other	1,410.1	1,465.0	54.8	3.9
Total Revenue	4,175.6	4,470.8	295.2	7.1
Total Net Expenditures	3,016.5	3,131.8	115.4	3.8

The 2006 BAC Recommended Operating Budget includes increases to user fees and charges (see Appendix 3) which will generate additional revenues which comply with the City's policies, relevant provincial legislation and the notice requirement prescribed in Part XII, Fees and Charges, of the Municipal Act, 2001. (Note that a detailed listing of user fees and charges proposed to change in 2006 can be viewed on the City's Website at www.toronto.ca/budget2006/budgetbriefingnotesoperating2006.)

Appendix 1 details the 2006 BAC Recommended Operating Budget by City Program and ABC. Appendix 2 summarizes the recommended changes arising out of the BAC review stage by Program.

2006 BAC Recommended Positions:

In accordance with the City's Financial Policies, all approved positions to support capital work as well as direct service delivery (Operating) are to be included in the Operating Budget. As indicated in the attached Appendix 4, the 2006 BAC Recommended Operating Budget includes a total of 47,315.4 positions for Operating and Capital purposes. This is comprised of 1,400.5 capital positions and 45,914.9 operating positions.

Compared to 2005, operating positions included in the 2006 BAC Recommended Budget increased by 838.2 (see Table 14 below). City Operations account for an increase of 120.8 positions of which an increase of 104 positions or 86 percent is in Citizen Centred Services "A". The increase is primarily attributed to cost-shared programs and Parks, Forestry and Recreation. An increase of 18.8 positions in Citizen Centred Services "B" is primarily in Transportation Services.

Table 14 2006 BAC RECOMMENDED BUDGET SUMMARY OF APPROVED POSITIONS (OPERATING)			
Program / ABCs	2005 Approved Positions	2006 BAC Recommended	Change from 2005
Citizen Centred Services "A"	11,508.5	11,612.5	104.0
Citizen Centred Services "B"	7,491.3	7,510.1	18.8
Internal Services & Other City Programs	3,418.8	3,416.8	(2.0)
Total City Operations	22,418.6	22,539.4	120.8
Agencies, Boards & Commissions	22,658.1	23,375.5	717.4
Total Levy Operations	45,076.7	45,914.9	838.2

Overall, ABCs operating positions increased by 717.4 over the 2005 approved positions. This approximates 86 percent of the total increase of 838.2 positions. The ABC increase is mainly attributed to the following: 263.5 positions to deliver new services in Public Health; 202 positions to support expanded TTC service to meet ridership levels. Toronto Police Service increased their front line service by 204 permanent positions and decreased temporary position by 5 resulting in a net increase of 199 positions. In total, the 2006 BAC Recommended positions for direct service delivery for Levy Operations increased from 45,076.7 to 45,914.9. (Note that a detailed analysis of approved position proposed to change in 2006 can be viewed on the City's Website at www.toronto.ca/budget2006/budgetbriefingnotesoperating2006.)

2007 Outlook:

Typically, services approved in one year will have an incremental financial impact on future years' budgets due to factors such as the annualized cost of base budget changes; the reversal of one-time expenditures and one-time sources of revenue; and the annualized cost of the introduction of new / enhanced services in the prior year. As indicated in Table 15, the 2007 Operating Budget will increase by \$519.7 million, resulting in a Net Operating Budget forecast of \$3.652 billion. For the most part, the increase is attributed to City one-time revenues of \$273.0 million utilized to balance the 2006 Operating Budget. This is based on the commitment by the Province to continue a multi-year plan for TTC's cost shared program partnership funding. Other significant reasons for the increase include inflation (including cost of living adjustments), annualization costs, debit service costs, etc. that total \$231.7 million.

The 2007 Operating Budget Target has been set at 0 percent change over the 2006 Council Approved Net Expenditure Budget of \$3.132 billion. Given the preliminary 2007 Outlook pressure outlined in Table 15 budget reductions of about \$450 million would be necessary to achieve a 0 percent target in 2007. This is a significant challenge which cannot be achieved only through austerity measures. It is, therefore, urgent that the City continue to work to achieve further operating efficiencies while pursuing sustainable revenue solutions with the Province.

Table 15 City of Toronto 2007 Outlook - Incremental Impacts			
			\$Millions
Annualization - Base:			
- Revenue Increase			(5.3)
- Expenditures			7.6
Annualized - New and Enhance Services			7.5
Contribution to Reserves/Reserve Funds			25.6
One-time Grants & Subsidies			5.3
Debt Service Cost			44.0
Cost of Living Allowance			107.0
Inflationary Adjustments			40.0
Total Before 2006 Unsustainable Budget Balancing Strategies			231.7
Unsustainable Budget Balancing Strategies:			
Provincial Assistance			
- Ontario Municipal Partnership Fund	35.0		
- EMS Increased Funding	(20.0)	15.0	
City One-Time			
- Hydro Note Revenues - Interest and Dividends	113.0		
- Reserve Draws	160.0	273.0	
Total Unsustainable 2006 Budget Balancing Revenues			288.0
Total 2007 Outlook - Incremental Impacts			519.7

Conclusions:

The 2006 BAC Recommended Operating Budget of \$7.582 billion gross and \$3.132 billion net (before assessment growth) is made up of a base budget of \$7.433 billion gross and \$3.123 billion net to deliver current services approved by City Council as well as \$149.5 million gross and \$8.755 million net to invest in key City priorities for new / enhanced services. Approval of the 2006 BAC Recommended Operating Budget will result in a gross expenditure increase of \$447.633 million or 6.3 percent and a net expenditure increase of \$55.574 million (after assessment growth) or a 1.8 percent increase over the 2005 Approved Budget. To balance the budget the City again relied on substantive expenditure reductions and user fee increases of about \$110 million, increased Provincial assistance of about \$165 million, one-time revenue sources including reserve draws of about \$273 million which results in a 3.0 percent residential property tax increase and a 1 percent commercial, industrial and multi-residential tax increase for a total of \$55.6 million.

In summary, the 2006 BAC Recommended Operating Budget generally maintains service levels and focuses on priorities of residents and businesses, with emphasis on community safety and strong neighbourhoods, the Children's Services Best Start program, celebrating the Year of

Creativity and continuing the Toronto Clean and Beautiful initiative. As has been the case in prior years, on average, more than 60 percent of property tax revenues is earmarked to pay for police, fire, emergency medical services, the TTC, garbage collection and recycling, libraries, parks and roads – services that most impact the quality of life of residents. Thus, despite the very challenging fiscal constraints that prevail, services generally have been maintained and key new investment priorities have been funded.

Notwithstanding enhanced Provincial assistance in 2006, the City still requires fiscal tools to enable it to continue to be the economic engine of Canada, and the centre of business, culture, entertainment and international activities in the Greater Toronto Area. Therefore, it is imperative that the City permanently resolves its operating budget dilemma with a long term funding plan, in order to alleviate the significant pressures on property tax revenues and to continue to provide the municipal services demanded by its constituents.

The Province's partnership funding in 2006 makes significant progress toward funding up to 50 percent of the TTC's 2006/2007 Operating Budget and commences increased cost shared (social assistance) program funding. The next step is for the Province to agree on a plan to fully upload the cost-shared social programs over the next four years. These initiatives, when combined with the transfer of revenues that grow with the economy to the City over the 2007 – 2010 period, will provide the financial foundation to ensure the City's fiscal sustainability.

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List of Attachments:

- | | |
|------------|---|
| Appendix 1 | BAC Recommended 2006 Operating Budget (Net, Gross, Revenue) |
| Appendix 2 | 2006 Operating Budget – BAC Review Summary |
| Appendix 3 | Budget Advisory Committee Recommendations by Program |
| Appendix 4 | 2006 User Fee Changes |
| Appendix 5 | 2006 BAC Recommended Positions |
| Appendix 6 | Budget Advisory Committee Transmittal |

(A copy of Appendix 6 - Budget Advisory Committee Transmittal referred to in the report dated March 23, 2006, addressed to the Budget Advisory Committee from the City Manager and Deputy City Manager and Chief Financial Officer entitled "City of Toronto 2006 BAC Recommended Tax Supported Operating Budget" was forwarded to all Members of Council with the March 27, 2006, agenda of the Budget Advisory Committee and a copy thereof is also on file in the office of the City Clerk, City Hall).

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
NET EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	1,393.1	1,421.0	1,414.0	20.9	1.5%
Children's Services	68,123.6	68,667.0	68,567.0	443.4	0.7%
Court Services	(9,034.4)	(9,404.0)	(9,544.0)	(509.6)	5.6%
Culture	8,952.0	10,653.6	10,666.1	1,714.1	19.1%
Economic Development	7,923.5	8,291.6	7,851.6	(71.9)	(0.9%)
Emergency Medical Services	67,518.3	70,927.4	60,362.7	(7,155.6)	(10.6%)
Homes for the Aged	32,733.3	33,388.0	32,818.0	84.7	0.3%
Parks, Forestry & Recreation	203,508.0	212,107.1	211,686.2	8,178.2	4.0%
Shelter Support & Housing Administration	269,932.3	275,330.9	275,818.9	5,886.6	2.2%
Social Development Finance & Administration	20,342.4	21,662.3	21,299.3	956.9	4.7%
Social Services	221,059.8	277,526.3	277,426.3	56,366.5	25.5%
Tourism	5,436.6	5,285.6	5,235.6	(201.0)	(3.7%)
3-1-1 Project Management Office	382.9	390.6	389.1	6.2	1.6%
Sub-Total Citizen Centred Services "A"	898,271.4	976,247.4	963,990.8	65,719.4	7.3%
Citizen Centred Services "B"					
Buildings	(11,607.4)	(11,375.7)	(11,546.7)	60.7	(0.5%)
Business Support Service	9,100.7	9,282.8	9,240.6	139.9	1.5%
City Planning	13,308.4	13,460.4	13,195.1	(113.3)	(0.9%)
Clean and Beautiful City Secretariat	326.5	197.0	317.3	(9.3)	(2.8%)
Fire Services	302,609.9	306,637.8	306,081.4	3,471.5	1.1%
Municipal Licensing & Standards	4,486.3	4,908.7	4,540.7	54.4	1.2%
Solid Waste Management Services	165,288.3	173,655.6	174,840.6	9,552.2	5.8%
Transportation Services	183,733.0	189,765.4	187,649.1	3,916.1	2.1%
Waterfront Secretariat	709.5	828.8	826.8	117.3	16.5%
WES - Technical Services	4,386.1	5,151.6	4,896.6	510.5	11.6%
Sub-Total Citizen Centred Services "B"	672,341.3	692,512.4	690,041.4	17,700.1	2.6%
Internal Services					
Office of the DCM and Chief Financial Officer	13,197.4	13,461.3	13,438.9	241.5	1.8%
Office of the Treasurer	30,325.5	30,932.0	30,862.3	536.8	1.8%
Corporate Communications	6,816.1	7,077.4	6,943.3	127.2	1.9%
Facilities & Real Estate	51,241.6	52,108.9	51,893.0	651.4	1.3%
Fleet Services	0.0	0.0	0.0	0.0	0.0%
Information & Technology	41,735.2	43,221.0	42,522.6	787.4	1.9%
Sub-Total Internal Services	143,315.9	146,800.7	145,660.2	2,344.3	1.6%
City Manager					
City Manager's Office	5,894.8	6,010.6	6,001.2	106.4	1.8%
Human Resources	26,377.7	27,848.1	27,810.0	1,432.3	5.4%
Sub-Total City Manager	32,272.5	33,858.7	33,811.2	1,538.7	4.8%
Other City Programs					
City Clerk's Office	19,907.2	28,991.2	28,954.4	9,047.2	45.4%
Legal Services	18,017.2	18,537.0	18,323.3	306.1	1.7%
Auditor General's Office	3,566.4	4,080.7	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,791.1	276.6	1.5%
Sub-Total Other City Programs	61,861.0	72,386.5	71,837.3	9,976.3	16.1%
TOTAL - CITY OPERATIONS	1,808,062.1	1,921,805.6	1,905,340.8	97,278.8	5.4%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
NET EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Agencies, Boards and Commissions					
Toronto Public Health	70,754.1	64,060.9	63,925.9	(6,828.2)	(9.7%)
Toronto Public Library	140,448.6	145,026.4	144,691.1	4,242.5	3.0%
Association of Community Centers	5,726.0	5,834.2	5,849.2	123.2	2.2%
Exhibition Place	189.8	435.2	335.2	145.4	76.6%
Heritage Toronto	307.9	355.5	339.3	31.4	10.2%
Theatres	2,867.5	3,059.8	2,866.9	(0.6)	(0.0%)
Toronto Zoo	11,565.5	11,791.1	11,691.1	125.6	1.1%
Arena Boards of Management	261.5	119.9	119.9	(141.6)	(54.2%)
Yonge/Dundas Square	571.2	582.6	582.6	11.4	2.0%
Toronto & Region Conservation Authority	3,015.4	3,075.7	3,009.8	(5.6)	(0.2%)
Toronto Transit Commission - Conventional	228,480.0	299,233.9	246,306.5	17,826.5	7.8%
Toronto Transit Commission - Wheel-Trans	53,735.5	60,698.3	59,968.3	6,232.8	11.6%
Toronto Police Service	716,103.2	753,138.7	751,638.7	35,535.5	5.0%
Toronto Police Services Board	1,296.7	1,853.5	1,784.6	487.9	37.6%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,235,322.9	1,349,265.7	1,293,109.0	57,786.2	4.7%
Corporate Accounts					
Community Partnership and Investment Program	38,862.1	39,180.9	40,174.9	1,312.8	3.4%
Capital & Corporate Financing	432,464.7	496,546.8	476,546.8	44,082.1	10.2%
Non-Program Expenditures					
- Tax Deficiencies/Write-offs	92,608.6	87,000.0	87,000.0	(5,608.6)	(6.1%)
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	1,000.0	3.2%
- Temporary Borrowing	400.0	400.0	400.0	0.0	0.0%
- Funding of Employee Related Liabilities	35,487.6	50,487.6	35,487.6	0.0	0.0%
- Programs Funded from Reserve Fund	0.0	0.0	0.0	0.0	n/a
- Other Corporate Expenditures	22,347.5	39,797.4	39,797.4	17,449.9	78.1%
- Insurance Premiums & Claims	300.0	5,300.0	3,300.0	3,000.0	1000.0%
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,602.8	793.5	1.9%
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	2,500.0	17.9%
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	n/a
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	(4,200.0)	(100.0%)
Non-Program Expenditures	242,353.0	275,670.4	258,305.4	15,952.4	6.6%
Non-Program Revenues					
- Payments in Lieu of Taxes	(83,929.9)	(83,929.9)	(83,929.9)	0.0	0.0%
- Supplementary Taxes	(37,000.0)	(37,000.0)	(37,000.0)	0.0	0.0%
- Tax Penalties	(26,500.0)	(26,500.0)	(25,500.0)	1,000.0	(3.8%)
- Interest/Investment Earnings	(62,000.0)	(62,000.0)	(62,000.0)	0.0	0.0%
- Other Corporate Revenues	(23,178.6)	(9,768.1)	(122,630.1)	(99,451.5)	429.1%
- Toronto Hydro Revenues	(195,055.7)	(91,655.7)	(112,655.7)	82,400.0	(42.2%)
- Provincial Revenue	(136,600.0)	(91,600.0)	(226,600.0)	(90,000.0)	65.9%
- Parking Authority Revenues	(27,295.4)	(25,332.2)	(25,369.7)	1,925.7	(7.1%)
- 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)	(75,000.0)	(80,000.0)	2,787.0	(3.4%)
- Other Tax Revenues	(14,260.1)	(15,000.0)	(15,688.3)	(1,428.2)	10.0%
- Woodbine Slots	(15,700.0)	(14,000.0)	(14,000.0)	1,700.0	(10.8%)
Non-Program Revenues	(740,581.7)	(568,060.9)	(841,648.7)	(101,067.0)	13.6%
TOTAL - CORPORATE ACCOUNTS	(26,901.9)	243,337.2	(66,621.6)	(39,719.7)	147.6%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
NET EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH	3,016,483.0	3,514,408.5	3,131,828.3	115,345.3	3.8%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
NET EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Assessment Growth - 2006	0.0	(10,000.0)	(59,761.3)	(59,761.3)	n/a
TOTAL OPERATING BUDGET (NET EXPENDITURES)	3,016,483.0	3,504,408.5	3,072,067.0	55,584.0	1.8%
NON LEVY OPERATIONS					
Parking Authority	(42,887.2)	(40,333.1)	(40,383.1)	2,504.1	(5.8%)
Wastewater Services	0.0	(3,412.0)	(3,412.0)	(3,412.0)	n/a
Water Services	0.0	27,813.3	27,813.3	27,813.3	n/a
TOTAL NON LEVY OPERATING BUDGET	(42,887.2)	(15,931.8)	(15,981.8)	26,905.4	(62.7%)

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
GROSS EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	2,826.7	3,021.0	3,014.0	187.3	6.6%
Children's Services	332,235.7	415,589.0	415,489.0	83,253.3	25.1%
Court Services	29,428.5	32,555.3	32,415.3	2,986.8	10.1%
Culture	12,618.2	15,859.8	15,917.8	3,299.6	26.1%
Economic Development	9,898.4	10,310.5	9,870.5	(27.9)	(0.3%)
Emergency Medical Services	135,089.1	142,593.4	142,384.1	7,295.0	5.4%
Homes for the Aged	179,992.1	186,741.3	186,171.3	6,179.2	3.4%
Parks, Forestry & Recreation	276,580.5	284,014.3	283,643.4	7,062.9	2.6%
Shelter Support & Housing Administration	674,817.5	666,369.6	668,479.6	(6,337.9)	(0.9%)
Social Development Finance & Administration	30,432.9	33,046.4	32,807.8	2,374.9	7.8%
Social Services	972,119.2	1,036,571.8	1,036,471.8	64,352.6	6.6%
Tourism	9,308.5	9,027.5	8,977.5	(331.0)	(3.6%)
3-1-1 Project Management Office	382.9	616.8	615.3	232.4	60.7%
Sub-Total Citizen Centred Services "A"	2,665,730.2	2,836,316.7	2,836,257.4	170,527.2	6.4%
Citizen Centred Services "B"					
Buildings	36,665.3	39,447.0	39,276.0	2,610.8	7.1%
Business Support Service	9,787.5	10,618.9	10,340.7	553.2	5.7%
City Planning	29,926.3	32,163.9	31,938.6	2,012.3	6.7%
Clean and Beautiful City Secretariat	326.5	197.0	317.3	(9.3)	(2.8%)
Fire Services	309,064.5	314,565.3	314,208.9	5,144.4	1.7%
Municipal Licensing & Standards	27,387.1	29,189.5	28,821.5	1,434.4	5.2%
Solid Waste Management Services	225,219.5	227,091.5	230,076.5	4,856.9	2.2%
Transportation Services	277,507.7	287,237.1	285,520.8	8,013.1	2.9%
Waterfront Secretariat	829.5	995.5	993.5	164.0	19.8%
WES - Technical Services	55,487.9	60,840.4	60,585.4	5,097.5	9.2%
Sub-Total Citizen Centred Services "B"	972,201.7	1,002,346.1	1,002,079.1	29,877.4	3.1%
Internal Services					
Office of the DCM and Chief Financial Officer	16,687.7	16,908.1	16,885.7	198.0	1.2%
Office of the Treasurer	60,452.2	63,212.0	63,152.3	2,700.1	4.5%
Corporate Communications	6,873.1	7,198.5	7,189.4	316.3	4.6%
Facilities & Real Estate	111,602.6	116,580.3	116,478.4	4,875.8	4.4%
Fleet Services	34,001.1	34,720.3	34,697.5	696.4	2.0%
Information & Technology	52,162.0	51,806.9	51,108.5	(1,053.5)	(2.0%)
Sub-Total Internal Services	281,778.8	290,426.2	289,511.9	7,733.1	2.7%
City Manager					
City Manager's Office	6,189.8	6,542.1	6,532.7	342.9	5.5%
Human Resources	28,188.5	29,682.9	29,644.8	1,456.3	5.2%
Sub-Total City Manager	34,378.3	36,225.0	36,177.5	1,799.2	5.2%
Other City Programs					
City Clerk's Office	40,838.2	47,042.1	47,005.3	6,167.1	15.1%
Legal Services	25,963.5	28,563.1	28,584.7	2,621.2	10.1%
Auditor General's Office	3,566.4	4,080.7	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,791.1	276.6	1.5%
Sub-Total Other City Programs	90,738.3	100,463.5	100,149.6	9,411.3	10.4%
TOTAL - CITY OPERATIONS	4,044,827.3	4,265,777.4	4,264,175.5	219,348.2	5.4%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
GROSS EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Agencies, Boards and Commissions					
Toronto Public Health	193,933.7	211,478.8	210,492.8	16,559.1	8.5%
Toronto Public Library	154,879.6	158,664.0	158,328.7	3,449.1	2.2%
Association of Community Centers	5,951.3	5,993.6	6,008.6	57.3	1.0%
Exhibition Place	46,383.8	47,611.9	47,511.9	1,128.1	2.4%
Heritage Toronto	519.0	686.6	670.4	151.4	29.2%
Theatres	19,879.5	29,493.1	29,798.1	9,918.6	49.9%
Toronto Zoo	35,360.8	37,444.1	37,444.1	2,083.3	5.9%
Arena Boards of Management	5,490.1	5,674.2	5,674.2	184.1	3.4%
Yonge/Dundas Square	1,008.2	1,072.4	1,072.4	64.2	6.4%
Toronto & Region Conservation Authority	30,048.3	34,045.2	33,979.3	3,931.0	13.1%
Toronto Transit Commission - Conventional	970,666.2	1,062,095.3	1,037,991.9	67,325.7	6.9%
Toronto Transit Commission - Wheel-Trans	56,545.9	63,739.1	63,009.1	6,463.2	11.4%
Toronto Police Service	748,691.0	789,970.4	796,170.4	47,479.4	6.3%
Toronto Police Services Board	1,296.7	1,853.5	1,784.6	487.9	37.6%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	2,270,654.1	2,449,822.2	2,429,936.4	159,282.4	7.0%
Corporate Accounts					
Community Partnership and Investment Program	44,157.3	44,353.9	45,357.9	1,200.6	2.7%
Capital & Corporate Financing	455,964.7	501,477.8	481,477.8	25,513.1	5.6%
Non-Program Expenditures					
- Tax Deficiencies/Write-offs	95,171.0	87,000.0	87,000.0	(8,171.0)	(8.6%)
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	1,000.0	3.2%
- Temporary Borrowing	400.0	400.0	400.0	0.0	0.0%
- Funding of Employee Related Liabilities	35,487.6	50,487.6	35,487.6	0.0	0.0%
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	30,391.0	43.0%
- Other Corporate Expenditures	26,164.5	42,205.4	42,205.4	16,040.9	61.3%
- Insurance Premiums & Claims	300.0	5,300.0	3,300.0	3,000.0	1000.0%
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,602.8	793.5	1.9%
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	2,500.0	17.9%
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	n/a
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	(4,200.0)	(100.0%)
Non-Program Expenditures	319,408.0	379,145.0	361,780.0	42,372.0	13.3%
TOTAL OPERATING BUDGET (GROSS EXPENDITURES)	7,135,011.4	7,640,576.3	7,582,727.6	447,716.2	6.3%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
GROSS EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
TOTAL OPERATING BUDGET (GROSS EXPENDITURES)	7,135,011.4	7,640,576.3	7,582,727.6	447,716.2	6.3%
NON LEVY OPERATIONS					
Parking Authority	54,281.8	54,801.4	54,801.4	519.6	1.0%
Wastewater Services	317,557.6	314,145.6	314,145.6	(3,412.0)	(1.1%)
Water Services	268,492.7	296,306.0	296,306.0	27,813.3	10.4%
TOTAL NON LEVY OPERATING BUDGET	640,332.1	665,253.0	665,253.0	24,920.9	3.9%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
REVENUES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	1,433.6	1,600.0	1,600.0	166.4	11.6%
Children's Services	264,112.1	346,922.0	346,922.0	82,809.9	31.4%
Court Services	38,462.9	41,959.3	41,959.3	3,496.4	9.1%
Culture	3,666.2	5,206.2	5,251.7	1,585.5	43.2%
Economic Development	1,974.9	2,018.9	2,018.9	44.0	2.2%
Emergency Medical Services	67,570.8	71,666.0	82,021.4	14,450.6	21.4%
Homes for the Aged	147,258.8	153,353.3	153,353.3	6,094.5	4.1%
Parks, Forestry & Recreation	73,072.5	71,907.2	71,957.2	(1,115.3)	(1.5%)
Shelter Support & Housing Administration	404,885.2	391,038.7	392,660.7	(12,224.5)	(3.0%)
Social Development Finance & Administration	10,090.5	11,384.1	11,508.5	1,418.0	14.1%
Social Services	751,059.4	759,045.5	759,045.5	7,986.1	1.1%
Tourism	3,871.9	3,741.9	3,741.9	(130.0)	(3.4%)
3-1-1 Project Management Office	0.0	226.2	226.2	226.2	n/a
Sub-Total Citizen Centred Services "A"	1,767,458.8	1,860,069.3	1,872,266.6	104,807.8	5.9%
Citizen Centred Services "B"					
Buildings	48,272.6	50,822.7	50,822.7	2,550.1	5.3%
Business Support Service	686.8	1,336.1	1,100.1	413.3	60.2%
City Planning	16,617.9	18,703.5	18,743.5	2,125.6	12.8%
Clean and Beautiful City Secretariat	0.0	0.0	0.0	0.0	n/a
Fire Services	6,454.6	7,927.5	8,127.5	1,672.9	25.9%
Municipal Licensing & Standards	22,900.8	24,280.8	24,280.8	1,380.0	6.0%
Solid Waste Management Services	59,931.2	53,435.9	55,235.9	(4,695.3)	(7.8%)
Transportation Services	93,774.7	97,471.7	97,871.7	4,097.0	4.4%
Waterfront Secretariat	120.0	166.7	166.7	46.7	38.9%
WES - Technical Services	51,101.8	55,688.8	55,688.8	4,587.0	9.0%
Sub-Total Citizen Centred Services "B"	299,860.4	309,833.7	312,037.7	12,177.3	4.1%
Internal Services					
Office of the DCM and Chief Financial Officer	3,490.3	3,446.8	3,446.8	(43.5)	(1.2%)
Office of the Treasurer	30,126.7	32,280.0	32,290.0	2,163.3	7.2%
Corporate Communications	57.0	121.1	246.1	189.1	331.8%
Facilities & Real Estate	60,361.0	64,471.4	64,585.4	4,224.4	7.0%
Fleet Services	34,001.1	34,720.3	34,697.5	696.4	2.0%
Information & Technology	10,426.8	8,585.9	8,585.9	(1,840.9)	(17.7%)
Sub-Total Internal Services	138,462.9	143,625.5	143,851.7	5,388.8	3.9%
City Manager					
City Manager's Office	295.0	531.5	531.5	236.5	80.2%
Human Resources	1,810.8	1,834.8	1,834.8	24.0	1.3%
Sub-Total City Manager	2,105.8	2,366.3	2,366.3	260.5	12.4%
Other City Programs					
City Clerk's Office	20,931.0	18,050.9	18,050.9	(2,880.1)	(13.8%)
Legal Services	7,946.3	10,026.1	10,261.4	2,315.1	29.1%
Auditor General's Office	0.0	0.0	0.0	0.0	n/a
Office of the Mayor	0.0	0.0	0.0	0.0	n/a
Council	0.0	0.0	0.0	0.0	n/a
Sub-Total Other City Programs	28,877.3	28,077.0	28,312.3	(565.0)	(2.0%)
TOTAL - CITY OPERATIONS	2,236,765.2	2,343,971.8	2,358,834.6	122,069.4	5.5%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
REVENUES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Agencies, Boards and Commissions					
Toronto Public Health	123,179.6	147,417.9	146,566.9	23,387.3	19.0%
Toronto Public Library	14,431.0	13,637.6	13,637.6	(793.4)	(5.5%)
Association of Community Centers	225.3	159.4	159.4	(65.9)	(29.2%)
Exhibition Place	46,194.0	47,176.7	47,176.7	982.7	2.1%
Heritage Toronto	211.1	331.1	331.1	120.0	56.8%
Theatres	17,012.0	26,433.3	26,931.2	9,919.2	58.3%
Toronto Zoo	23,795.3	25,653.0	25,753.0	1,957.7	8.2%
Arena Boards of Management	5,228.6	5,554.3	5,554.3	325.7	6.2%
Yonge/Dundas Square	437.0	489.8	489.8	52.8	12.1%
Toronto & Region Conservation Authority	27,032.9	30,969.5	30,969.5	3,936.6	14.6%
Toronto Transit Commission - Conventional	742,186.2	762,861.4	791,685.4	49,499.2	6.7%
Toronto Transit Commission - Wheel-Trans	2,810.4	3,040.8	3,040.8	230.4	8.2%
Toronto Police Service	32,587.8	36,831.7	44,531.7	11,943.9	36.7%
Toronto Police Services Board	0.0	0.0	0.0	0.0	n/a
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,035,331.2	1,100,556.5	1,136,827.4	101,496.2	9.8%
Corporate Accounts					
Community Partnership and Investment Program	5,295.2	5,173.0	5,183.0	(112.2)	(2.1%)
Capital & Corporate Financing	23,500.0	4,931.0	4,931.0	(18,569.0)	(79.0%)
Non-Program Expenditures					
- Tax Deficiencies/Write-offs	2,562.4	0.0	0.0	(2,562.4)	(100.0%)
- Funding of Employee Related Liabilities	0.0	0.0	0.0	0.0	n/a
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	30,391.0	43.0%
- Other Corporate Expenditures	3,817.0	2,408.0	2,408.0	(1,409.0)	(36.9%)
- Corporate Utilities	0.0	0.0	0.0	0.0	n/a
- Computer Leasing & External Contract Inquiry	0.0	0.0	0.0	0.0	n/a
Non-Program Expenditures	77,055.0	103,474.6	103,474.6	26,419.6	34.3%
Non-Program Revenues					
- Payments in Lieu of Taxes	83,929.9	83,929.9	83,929.9	0.0	0.0%
- Supplementary Taxes	37,000.0	37,000.0	37,000.0	0.0	0.0%
- Tax Penalties	26,500.0	26,500.0	25,500.0	(1,000.0)	(3.8%)
- Interest/Investment Earnings	62,000.0	62,000.0	62,000.0	0.0	0.0%
- Other Corporate Revenues	23,178.6	9,768.1	122,630.1	99,451.5	429.1%
- Toronto Hydro Revenues	195,055.7	91,655.7	112,655.7	(82,400.0)	(42.2%)
- Provincial Revenue	136,600.0	91,600.0	226,600.0	90,000.0	65.9%
- Parking Authority Revenues	27,295.4	25,332.2	25,369.7	(1,925.7)	(7.1%)
- 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	75,000.0	80,000.0	(2,787.0)	(3.4%)
- Other Tax Revenues	14,260.1	15,000.0	15,688.3	1,428.2	10.0%
- Woodbine Slots	15,700.0	14,000.0	14,000.0	(1,700.0)	(10.8%)
Non-Program Revenues	740,581.7	568,060.9	841,648.7	101,067.0	13.6%
TOTAL - CORPORATE ACCOUNTS	846,431.9	681,639.5	955,237.3	108,805.4	12.9%
TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH	4,118,528.3	4,126,167.8	4,450,899.3	332,371.0	8.1%

Appendix 1



**CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
REVENUES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 BAC Rec'd Total Budget		
			2006 BAC Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Assessment Growth - 2006	0.0	10,000.0	59,761.3	59,761.3	n/a
TOTAL OPERATING BUDGET (GROSS REVENUES)	4,118,528.3	4,136,167.8	4,510,660.6	392,132.3	9.5%
NON LEVY OPERATIONS					
Parking Authority	97,169.0	95,134.5	95,184.5	(1,984.5)	(2.0%)
Wastewater Services	317,557.6	317,557.6	317,557.6	0.0	0.0%
Water Services	268,492.7	268,492.7	268,492.7	0.0	0.0%
TOTAL NON LEVY OPERATING BUDGET	683,219.3	681,184.8	681,234.8	(1,984.5)	(0.3%)

Appendix 3 2006 BAC Recommended Operating Budget Budget Advisory Committee

Program Recommendations:

It is recommended that:

Citizen Centred Services – A

Affordable Housing:

- (1) the 2006 BAC Recommended Operating Budget for Affordable Housing Office of \$3.014 million gross and \$1.414 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Affordable Housing Office	3,014.0	1,414.0
Total Program Budget	<u>3,014.0</u>	<u>1,414.0</u>

Children's Services:

- (2) the 2006 BAC Recommended Operating Budget for Children's Services of \$415.489 million gross and \$68.567 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Administration	24,099.3	9,360.9
Municipal Child Care	61,978.6	18,166.9
Purchased Child Care	<u>329,411.0</u>	<u>41,039.2</u>
Total Program Budget	<u>415,488.9</u>	<u>68,567.0</u>

- (3) the General Manager of Children's Services report back to the Budget Advisory Committee, through the Community Service Committee, on the financial details of the proposed After School Recreation and Care Program, in early 2006; and
- (4) the General Manager of Children's Services report back to Budget Advisory Committee on the capital budget allocations for child care centres in City-owned and non-City-owned facilities, once identified, under the Best Start Initiative with recommended adjustments to Children's Services' Operating and Capital Budgets to accommodate the City's revised Best Start Capital Plan.

Court Services:

- (5) the 2006 BAC Recommended Operating Budget for Court Services of \$32.415 million gross and \$(9.544) million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Finance and Administration	18,185.3	16,720.3
Court Administration	7,398.1	(33,096.2)
Court Support	4,045.2	4,045.2
Planning and Liaison	2,786.6	2,786.6
	<hr/>	<hr/>
Total Program Budget	32,415.2	(9,544.1)
	<hr/>	<hr/>

- (6) the Director of Court Services report back to the Budget Advisory Committee on the success of the Off Duty Police Initiative and the initiative to reduce fines in default prior to the 2007 Operating Budget process.

Culture:

- (7) the 2006 BAC Recommended Operating Budget for Culture of \$15.918 million gross and \$10.666 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Art Services	1,757.2	1,387.7
Cultural Development	8,563.0	5,105.9
Heritage Services	5,597.6	4,172.5
	<hr/>	<hr/>
Total Program Budget	15,917.8	10,666.1
	<hr/>	<hr/>

- (8) 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; and
- (9) the staff recommendations contained in the Recommendations Section of the report (January 23, 2006) from the General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer entitled "Harbourfront Parklands-Establishment of a Reserve Fund Account for Programming at Toronto Music Garden" be adopted:

- “(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 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); and
- (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.”

Economic Development:

- (10) the 2006 BAC Recommended Operating Budget for Economic Development of \$9.871 million gross and \$7.852 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Business Development and Retention	3,366.2	2,786.2
Entrepreneurship and Small Business	917.3	684.7
Investment Marketing	2,651.2	2,289.2
Economic Research and Business Information	1,045.3	985.3
Local Partnership	1,890.5	1,106.2
	<hr/>	<hr/>
Total Program Budget	<u>9,870.5</u>	<u>7,851.6</u>

- (11) \$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.

Emergency Medical Services:

- (12) the 2006 BAC Recommended Operating Budget for Emergency Medical Services of \$142.384 million gross and \$60,363 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
CACC	12,295.6	854.1
Centralized Support Services	2,476.8	2,476.8
Corporate Charges	6,205.7	6,205.7
EMS Operations Support Services	19,420.3	8,058.5
EMS Operations	94,725.1	39,809.4
Program Development & Service Quality	<u>7,260.6</u>	<u>2,958.2</u>
Total Program Budget	<u>142,384.1</u>	<u>60,362.7</u>

- (13) the 2006 BAC Recommended Operating Budget for Emergency Medical Services include \$0.075 million to reflect the incremental cost to fully administer the City's Public Access Defibrillation Program;
- (14) future year Operating Budget submissions for EMS include increases of \$0.057 million in 2007, \$0.067 million in 2008, \$0.073 in 2009, and \$0.073 million in 2010, and any inflationary increases as determined for each budget year, to address the expansion of the Public Access Defibrillation Program which includes the planned distribution of 70 Automatic External Defibrillators (AEDs) per year; and
- (15) the 2006 Approved Capital Budget be reduced by \$0.439 million to reflect the implementation of the proposed Public Access Defibrillation Program.

Homes for the Aged:

- (16) the 2006 BAC Recommended Operating Budget for Homes for Aged of \$186.171 million gross and \$32.818 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Division Office	1,584.2	505.8
Toronto Homes	174,260.1	30,755.9
Community Based Services	<u>10,327.0</u>	<u>1,556.3</u>
Total Program Budget	<u>186,171.3</u>	<u>32,818.0</u>

Parks, Forestry and Recreation:

- (17) the 2006 BAC Recommended Operating Budget for Parks, Forestry and Recreation of \$283.643 million gross and \$211.686 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Parkland & Open Space	124,317.8	107,491.9
Sports & Recreation	152,952.1	100,331.2
Policy & Development	6,373.5	3,863.1
Total Program Budget	283,643.4	211,686.2

- (18) \$3.5 million gross, \$0 net, be approved for the Asian Long Horn Beetle Eradication Program, subject to 100% 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;
- (19) the General Manager of Parks, Forestry and Recreation give priority, in 2006, to operating leisure skating over the Holiday Season at local rinks except for Christmas Day, Boxing Day and New Year's Day;
- (20) 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; and
- (21) 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.

Shelter, Support and Housing Administration:

- (22) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration of \$668.480 million gross and \$275.819 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	2,119.4	2,119.4
Housing Administration	509,378.9	219,182.9
Hostel Services	119,204.0	52,291.9
Housing and Homelessness Supports	28,010.4	1,881.5
Housing Programs	9,423.7	0
Partnership Development & Support	343.2	343.2
Total Program Budget	668,479.6	275,818.9

- (23) the Province of Ontario be request to immediately recognize the actual cost of shelter per diems amounting to \$29.1 million;
- (24) the staff recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (December 19, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “Villa Otthon – Withdrawal of Funds from the Social Housing Federal Reserve Fund and Approval of a Second Mortgage (Ward 35 Scarborough Southwest)”, as recommended by the Community Services Committee, be adopted:

“(1) authority be given to the General Manager, Shelter, Support and Housing Administration to:

- (a) withdraw from the Social Housing Federal Reserve Fund amounts required for capital repairs at 568 Birchmount Road (the “Property”), an amount not to exceed \$1,572,000.00, and lend these funds to Villa Otthon;
- (b) negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a second mortgage and a general assignment of rents on the Property, subject to the following terms and conditions;
 - (i) the loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage on the Property held by CMHC is due to mature in 2015, or (2) such mortgage is redeemed;
 - (ii) starting on the Commencement Date the loan will bear interest at a rate equal to the prime lending rate charged by the City’s leading banker plus one percent and be subject to a repayment schedule that would amortize the loan over a period of 15 years, subject to the right of Villa Otthon to pre-pay the loan at any time without interest or penalty;
 - (iii) the interest rate and repayment schedule will be renegotiable, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor;
- (c) consent, on behalf of the City of Toronto to Villa Otthon mortgaging, charging or encumbering the Property in connection with the second mortgage, as required under the Operating Agreement being administered by the City of Toronto as Service Manager pursuant to the *Social Housing Reform Act, 2000* (the “SHRA”); and

- (d) apply for the consent of the Minister of Municipal Affairs and Housing (the “Minister”) required under a Transfer Order made pursuant to the provisions of the SHRA;
 - (2) the loan of up to \$1,572,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;
 - (3) the 2006 budget for Shelter, Support and Housing Administration be increased by \$1,572,000.00 gross and \$0 net and be funded by a withdrawal from the Social Housing Federal Reserve Fund to provide a loan to Villa Otthon for required capital expenditures at 568 Birchmount Road;
 - (4) the Province be requested to reimburse the City of Toronto for the \$1,572,000.00 needed for capital repairs at 568 Birchmount Road and to reimburse Villa Otthon for \$184,000.00 in additional capital repair costs incurred after the July 1, 2002 transfer to the City;” and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”
- (25) the staff recommendations (1), (2), (3) and (5) in the Recommendations Section of the report (November 3, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “110 Edward Street: Extension of Emergency Shelter and Referral Centre Programs, as recommended by the Community Services Committee, be adopted:
- “(1) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program beyond April 30, 2006 subject to the approval of the 2006 Shelter, Support and Housing Administration Operating budget;
 - (2) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program once the sale of the property is complete, subject to the approval of the 2006 Shelter, Support and Housing Administration Operating budget;
 - (3) the General Manager, Shelter Support and Housing Administration, report to Community Services Committee and Budget Advisory Committee prior to the redevelopment of the site to detail the on-going financial cost implications; and
 - (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Social Development, Finance and Administration:

- (26) the 2006 BAC Recommended Operating Budget for Social Development, Finance and Administration of \$32.808 million gross and \$21.299 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Administration and Program Support	14,910.0	8,739.7
Community Resources	7,101.3	1,963.1
Customer and Business Support	10,796.5	10,596.5
Total Program Budget	32,807.8	21,299.3

- (27) Youth Employment and Local Leadership (YELL) Program, with an addition of 1.0 staffing position, be approved subject to Federal subsidy for \$1.958 million gross and \$0 net;
- (28) the staff recommendations in the Recommendations Section of the report (December 20, 2005) from the Executive Director, Social Development, Finance and Administration, entitled “YouthAction-Youth Safety Project”, as recommended by the the Community Services Committee, be adopted:
- “(1) the Executive Director be authorized to enter into an agreement with the Department of Justice to receive one-time funds in an amount not to exceed \$124,402.00 as the project costs for the YouthAction-Youth Safety Project;
- (2) the Social Development, Finance and Administration 2006 proposed operating budget be adjusted by an increase of \$124,402.00 gross, zero net;
- (3) the Executive Director be authorized to enter into agreements with East Scarborough Boys and Girls Club and Native Child and Family Services for the delivery of the “YouthAction-Youth Safety Project”; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to effect thereto;”.

Social Services:

- (29) the 2006 BAC Recommended Operating Budget for Social Services of \$1,036.472 million gross and \$277.426 million net, comprised of the following services, be approved:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	11,122.6	5,868.9
Social Assistance	<u>1,025,349.2</u>	<u>271,557.4</u>
Total Program Budget	<u>1,036,471.8</u>	<u>277,426.3</u>

- (30) the General Manager of Social Services report to the Policy and Finance Committee on actual year-to-date monthly caseload with possible revisions to the 2006 recommended average caseload estimate of 75,000; and

- (31) City Council request the Province of Ontario to:

- (a) immediately recognize the actual cost of community services, including \$23.2 million for Ontario Works Cost of Administration;
- (c) immediately assume the full \$168 million cost of the provincial Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) program in Toronto; and
- (c) Commit to working Committee City of Toronto uploading of costs for Social Housing and Ontario Works.

Tourism:

- (32) the 2006 BAC Recommended Operating Budget for Tourism of \$8.978 million gross and \$5.236 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Special Events	7,179.5	3,837.6
Tourism Development & Research	1,204.0	804.0
Toronto International	<u>594.0</u>	<u>594.0</u>
Total Program Budget	<u>8,977.5</u>	<u>5,235.6</u>

- (33) 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; and

- (34) funding for 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.

3-1-1 Customer Service Strategy:

- (35) the 2006 BAC Recommended Operating Budget for 3-1-1 Customer Service Strategy of \$0.615 million gross and \$0.390 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Project Management Office	615.3	389.1
Total Program Budget	615.3	389.1

Citizen Centred Services – B

Building Services:

- (36) the 2006 BAC Recommended Operating Budget for Building Services of \$39.276 million gross and (\$11.547) million net, comprised of the following service be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Building Services	39,276.0	(11,546.7)
Total Program Budget	39,276.0	(11,546.7)

- (37) the Chief Building Official and Executive Director of Building Services assess the workloads and needs of the Division and report back prior to the 2007 Budget process on a long-term strategy for processing Building Permit applications within the legislated timeframes under Bill 124 and the new application review requirements under the *Brownfield's Statute Law Amendment Act*;
- (38) the Chief Building Official and Executive Director of Building Services monitor the building permit fees collected during 2006 and report back to the Budget Advisory Committee as part of the 2007 Budget process addressing whether the 4.6% Building Permit Fee increase was sufficient to achieve cost recovery, as authorized under the *Building Code Act*; and

- (39) Council support the inter-divisional initiative to examine ways of organizing and operating the City's inspections and enforcement responsibilities with a view to maximizing the City's enforcement capacity and request that the project sponsor, Deputy City Manager Fareed Amin, report to the Planning and Transportation Committee on the progress made and recommended next steps as part of the 2007 Budget cycle.

Business Support Services:

- (40) the 2006 BAC Recommended Operating Budget for Business Support Services of \$10.341 million gross and \$9.241 million net, comprised of the following service be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Business Support Services	<u>10,340.7</u>	<u>9,240.6</u>
Total Program Budget	<u>10,340.7</u>	<u>9,240.6</u>

City Planning:

- (41) the 2006 BAC Recommended Operating Budget for City Planning of \$31.939 million gross and \$13.195 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
City Planning	<u>31,938.6</u>	<u>13,195.1</u>
Total Program Budget	<u>31,938.6</u>	<u>13,195.1</u>

- (42) the staff recommendations (1), (2), (3), (4), (5) and (7) contained in the Recommendations Section of the report (November 18, 2005) from the Deputy City Manager, Fareed Amin, entitled "2006 Development Application Fee Increases", as recommended by the Planning and Transportation Committee and Works Committee, be adopted:

"(1) Community Planning application fees be increased by 18.2% on April 1, 2006 in order to recover 100% of the 2006 Base Budget costs of the City Planning Division associated with the development review process and to fund the continuation of the full time staff required in the Technical Services and Parks, Forestry, and Recreation divisions for the processing of applications and the on-going design, coordination and implementation of improvements to the planning application review process, as well as fund the 2006 new requests for 4 site plan administrators, the cost of an outside consultant to refine the determination of the full cost of processing planning applications and the costs to improve the planning process;

- (2) Committee of Adjustment fees continue to be subject to cost of living increases only, as currently determined by the amount of the percentage increase in the All Items Index of the Consumer Price Index for the Toronto Census Metro Area, published by Statistics Canada during the 12 month period ending October 1, as set out in Section 441-11 of the Toronto Municipal Code;
- (3) Engineering fees for subdivision applications be increased from 3% of municipal infrastructure cost to 5% of municipal infrastructure cost effective April 1, 2006;
- (4) Engineering fees for site plan and rezoning applications be introduced in the amount of 5% of municipal infrastructure cost effective April 1, 2006;
- (5) the Deputy City Manager report to the Planning and Transportation Committee and the Works Committee prior to the 2007 budget process on a phased approach to increasing community planning and other development application process fees in the future that will allow for full cost recovery for all application processing related costs; and
- (7) the City Solicitor be directed to prepare the necessary bills to give effect to these recommendations, to be effective April 1, 2006.”,

subject to deleting Part (ii) of the Committees’ recommendations:

- “(ii) the professional facilitators for community consultation meetings, referred to in section 4.3 of the report from Deputy City Manager Fareed Amin, be hired in conjunction with the Affordable Housing Office.”
- (43) the staff recommendations (1), (2), (3), (4), (5) and (7) contained in the Recommendations Section of the report (February 13, 2006) from the Chief Planner and Executive Director of City Planning, entitled “Specifics of the Initial Lights Out Toronto Campaign To Raise Awareness of the Spring and Fall Migratory Bird Seasons”, be adopted:
- “(1) City Council adopt the pilot program for a “ Lights Out Toronto” campaign to run twice in 2006, corresponding with the spring and fall migratory seasons, that advocates and encourages the turning off of lighting, when not needed, through ads on TTC vehicles, brochures and other effective advertising media;
 - (2) City Council authorize the acceptance of third party contributions to be used to undertake the “ Lights Out Toronto” public awareness campaign from migratory bird stakeholders and partners including Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors;
 - (3) City Council authorize the entering of an agreement with the Canadian Wildlife Service in order to accept their third party donation of \$15.0 thousand to be used for the “ Lights Out Toronto Campaign”;

- (4) the Chief Planner and Executive Director, City Planning, when reporting back as requested in one year's time on progress made including a review of daytime strikes and the investigation of light pollution policies and by-laws enacted in other jurisdictions, that such report also include a review of the success of the 2006 "Lights Out Toronto" pilot program and the involvement and role of the City in subsequent "Lights Out Toronto" campaigns;
- (5) the 2006 Proposed Operating Budget for City Planning be increased by \$40,000, offset by revenue from third party contributions for an equal amount, for a \$0 net impact on the 2006 Proposed Operating Budget; and spending authority be contingent upon receipt of all third party funding required to complete the project; and
- (7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto."; and
- (44) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget process on the achievements of the one-window approach to the collection of fees under the Development Application Review Project 2006 work plan.

Clean and Beautiful City Secretariat:

- (45) the 2006 BAC Recommended Operating Budget for the Clean and Beautiful City Secretariat of \$0.317 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Clean and Beautiful City Secretariat	<u>317.3</u>	<u>317.3</u>
Total Program Budget	<u>317.3</u>	<u>317.3</u>

- (46) the Deputy City Manager responsible for the Clean and Beautiful City Secretariat:
 - (a) be requested to fill one Project Officer position by secondment to support the Neighbourhood Beautification Program in 2006; and
 - (b) report to the Budget Advisory Committee prior to the 2007 Budget process on the status and budget implications of the Clean and Beautiful City Secretariat for 2007; and
- (47) the following motion (1) in the communication (January 24, 2006) from Deputy Mayor Sandra Bussin, Chair, be referred back to the Roundtable on a Beautiful City for further consideration.:

- “(1) that the City reconsider the 2 percent parks levy in commercial and industrial developments and that money be dedicated exclusively towards ravine restoration.”

Fire Services:

- (48) the 2006 BAC Recommended Operating Budget for Fire Services of \$314.209 million gross and \$306.081 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Fire-Operations	251,106.0	244,544.1
Fire Prevention and Public Safety	12,321.4	12,021.4
Communications and Operational Support	25,914.3	25,423.2
Professional Develop. and Mechanical Support	21,540.5	20,866.3
Fire – Headquarters	3,326.7	3,226.4
Total Program Budget	<u>314,208.9</u>	<u>306,081.4</u>

Note: The 2006 BAC Recommended Operating Budget for Fire Services excludes potential Collective Agreement salary and benefit increases.

- (49) increases in false alarm fees be approved consistent with the schedule of charging for false alarms at the second emergency call instead of at the third emergency call in a two month or yearly period, which ever comes first, and that staff be authorized to amend the bylaw as required;
- (50) the 2006 Operating Budget of Shelter, Support and Housing Administration be increased in order to offset charges to Toronto Community Housing Corporation for False Alarm Fee Changes in the amount of \$0.828 million gross and net, and
- (51) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee prior to the 2007 Budget process on the progress of discussions with the Provincial government on the recovery of Toronto Fire Services’ costs in providing highway assistance in emergency situations.

Municipal Licensing and Standards:

- (52) the 2006 BAC Recommended Operating Budget for Municipal Licensing and Standards of \$28.822 million gross and \$4.541 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Municipal Licensing and Standards	28,821.5	4,540.7
Total Program Budget	<u>28,821.5</u>	<u>4,540.7</u>

- (53) the funding for the 2 new requests for the by-law enforcement component of “Multi-Unit Residential Waste Reduction Levy” and “Mandatory Waste Diversion By-Law of Single Family Residences” be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;
- (54) the Deputy City Manager responsible for Solid Waste Management Services and Municipal Licensing and Standards report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 Budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to Municipal Licensing and Standards;
- (55) the Deputy City Manager responsible for Municipal Licensing and Standards, continue to review functions within Municipal Licensing and Standards, Building Services, and City Planning to find ways to integrate initiatives and report back prior to the 2007 Budget process on any resultant savings and service improvements realized; and
- (56) the Executive Director of Municipal Licensing and Standards monitor enforcement costs of licenses and report back to the Budget Advisory Committee prior to the 2007 Budget process addressing whether the licensing fee increase was sufficient to address 100 percent cost recovery for enforcement, as authorized under the *Municipal Act*.

Solid Waste Management Services:

- (57) the 2006 BAC Recommended Operating Budget for Solid Waste Management Services of \$230.076 million gross and \$174.841 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Program Support	32,987.1	17,185.1
Collection	94,671.5	91,491.3
Transfer	24,221.2	12,493.4
Processing	31,148.6	9,095.9
Disposal	<u>47,048.0</u>	<u>44,574.9</u>
Total Program Budget	<u>230,076.4</u>	<u>174,840.6</u>

- (58) the General Manager, Solid Waste Management Services report back to the Works Committee in March 2006 with respect to emerging issues that have costs/risks associated with the potential border closing to Toronto's waste and contract renegotiations;
- (59) the funding for the 2 new requests for the by-law enforcement component of "Multi-Unit Residential Waste Reduction Levy" and "Mandatory Waste Diversion By-Law of Single Family Residences" be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;
- (60) the General Manager, Solid Waste Management Services, report back to the Works Committee in March 2006 with the implications of how Council decisions that have been made since June 2005 may have an impact on the Program's ability to meet the 2008 to 2012 Diversion targets and time lines, as outlined in its Council-approved Business Plan (approved in June 2005), as well as the financial impacts of these decision on the City;
- (61) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 Budget process on the total integrated bylaw enforcement component including the resources transferred from Solid Waste Management Services to Municipal Licensing and Standards; and
- (62) the staff recommendations in the Recommendations Section of the report (February 1, 2006) from the Deputy City Manager, and the Deputy City Manager and Chief Financial Officer, entitled "Adequacy of Solid Waste Management Perpetual Care Reserve Fund", be adopted:
 - "(1) should there be a surplus in the 2005 Solid Waste Management Services operating program, the Deputy City Manager and Chief Financial Officer report on whether any or all of this surplus should be transferred to the Solid Waste Management Perpetual Care Reserve Fund;
 - (2) the planned 2006 Solid Waste Management Services operating program contribution to the Solid Waste Management Perpetual Care Reserve Fund be deferred and a contribution of up to \$3,435,000.00 be included in the 2007 Solid Waste Management Services operating budget submission; and
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto."

Transportation Services:

- (63) the 2006 BAC Recommended Operating Budget for Transportation Services of \$285.521 million gross and \$187.649 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Roadway Services	128,510.6	91,443.2
Roadside Services	57,349.9	23,633.5
Traffic Planning / Row Mgmt	11,173.5	(6,383.5)
Traffic and Safety Services	49,556.9	45,331.9
Infrastructure Management	14,961.4	12,555.4
District Mgmt and Overhead	1,263.4	(1,636.6)
Technical and Program Support	22,705.2	22,705.2
	<hr/>	<hr/>
Total Program Budget	285,520.9	187,649.1
	<hr/>	<hr/>

- (64) the General Manager, Transportation Services be requested to ensure that outcomes with respect to the Sidewalk Repair Backlog and Mechanical Street Sweeping are standardized across the City; and
- (65) the General Manager of Transportation Services report to the Budget Advisory Committee, prior to the 2007 Budget process, on the success of the expanded Red Light Camera initiative.

Technical Services:

- (66) the 2006 BAC Recommended Operating Budget for Technical Services of \$60.585 million gross and \$4.897 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Facilities and Structures	8,837.8	6,672.6
Survey and Mapping	17,924.0	6,825.1
Environmental Services	2,297.3	2,256.0
Development Engineering	5,424.9	3,279.9
District Engineering	18,417.0	7,954.5
Office of Emergency Management	2,286.1	1,633.2
Program Administration	587.5	587.5
Support Services	4,810.8	4,810.8
Inter-Divisional Charges		(29,123.0)
	<hr/>	<hr/>
Total Program Budget	60,585.4	4,896.6
	<hr/>	<hr/>

- (67) the new service request for the Delivery of Green Toronto Awards Program be approved, and that the 2006 required funding of \$0.060 million gross and net be absorbed within the Technical Services' 2006 BAC Recommended Operating Budget; and
- (68) any adjustments made through the political review process for Technical Services be made in Technical Services' clients' operating budgets after Council approval of the 2006 Operating Budget.

Waterfront Secretariat:

- (69) the 2006 BAC Recommended Operating Budget for the Waterfront Secretariat of \$0.994 million gross and \$0.827 million net for the following service, be approved.

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Waterfront Secretariat	993.5	826.8
Total Program Budget	993.5	826.8

- (70) the required 2006 funding of \$0.047 million included in the 2006 BAC Recommended Operating Budget for the Waterfront Secretariat for a temporary Technical Co-ordinator position, be funded from within the 2006 Approved cash flow for the Waterfront Revitalization Initiative Capital Budget; and that the 2007 incremental impact of \$0.033 million be funded from within the projected cash flow for the Waterfront Revitalization Capital Budget in 2007.

Internal Services:

Office of the DCM and Chief Financial Officer:

- (71) the 2006 BAC Recommended Operating Budget for the Office of the DCM and Chief Financial Officer of \$16.886 million gross and \$13.439 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Support Services	1,340.2	1,173.9
Corporate Finance	3,537.0	1,449.4
Financial Planning	4,601.5	3,759.0
Special Projects	447.4	447.4
Service Improvement and Innovation	6,959.8	6,609.2
Total Program Budget	16,885.9	13,438.9

Office of the Treasurer:

- (72) the 2006 BAC Recommended Operating Budget for the Office of the Treasurer of \$63.152 million gross and \$30.862 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Pension, Payroll and Employee Benefits	11,251.8	9,645.1
Purchasing & Materials Management	8,342.5	6,630.2
Accounting Services	11,113.8	8,777.0
Revenue Services	32,444.2	5,810.0
	<hr/>	<hr/>
Total Program Budget	63,152.3	30,862.3
	<hr/>	<hr/>

Corporate Communications:

- (73) the 2006 BAC Recommended Operating Budget for Corporate Communications of \$7.190 million gross and \$6.943 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Public Information	2,464.1	2,458.0
Creative Services	2,092.9	2,032.9
Corporate Communications & Media Services	2,632.5	2,452.5
	<hr/>	<hr/>
Total Program Budget	7,189.5	6,943.4
	<hr/>	<hr/>

- (74) the Corporate Communications Clean and Beautiful funding in the amount of \$125.0 thousand for the Clean and Beautiful initiative be absorbed within the Communications Budgets for Solid Waste Management Services (\$41,667), Transportation Services (\$41,666) and Parks, Forestry and Recreation (\$41,466); and that these amounts be shown as recoveries to the Corporate Communications 2006 Operating Budget, resulting in a net reduction of \$125,000 in the Corporate Communications Budget and no net change to Solid Waste Management Services, Transportation Services and Parks, Forestry and Recreation.

Facilities and Real Estate:

- (75) the 2006 BAC Recommended Operating Budget for Facilities and Real Estate of \$116.478 million gross and \$51.893 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Facilities	103,238.2	63,762.8
Real Estate	13,240.1	(11,869.7)
	<hr/>	<hr/>
Total Program Budget	<u>116,478.3</u>	<u>51,893.1</u>

Fleet Services:

- (76) the 2006 BAC Recommended Operating Budget for Fleet Services of \$34.697 million gross and \$0 net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Fleet Operations	22,406.0	0.0
Fuel Operation	8,183.7	0.0
Fleet Safety	1,086.9	0.0
Asset Management	3,020.8	0.0
	<hr/>	<hr/>
Total Program Budget	<u>34,697.4</u>	<u>0.0</u>

Information and Technology:

- (77) the 2006 BAC Recommended Operating Budget for Information and Technology of \$51.109 million gross and \$42.523 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Applications Delivery	15,129.2	13,271.3
Desktop Computing	31,667.9	25,577.6
Land Information	3,175.2	2,960.4
Voice & Telecommunications	1,136.3	713.4
	<hr/>	<hr/>
Total Program Budget	<u>51,108.6</u>	<u>42,522.7</u>

City Manager

City Manager's Office:

- (78) the 2006 BAC Recommended Operating Budget for the City Manager's Office of \$6.533 million gross and \$6.001 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Executive Management	1,640.1	1,640.1
Strategic & Corp. Policy/Healthy City Office	3,926.5	3,926.5
Internal Audit	966.1	434.6
Total Program Budget	<u>6,532.7</u>	<u>6,001.2</u>

Human Resources:

- (79) the 2006 BAC Recommended Operating Budget for Human Resources of \$29.645 million gross and \$27.810 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Employment Services	9,228.3	8,863.1
Organizational Behaviour	1,957.4	1,957.2
Employee & Labour Relations	4,081.5	3,853.6
Departmental Services	14,116.4	12,889.5
Fair Wage & Labour Trade Office	261.4	246.8
Total Program Budget	<u>29,645.0</u>	<u>27,810.2</u>

- (80) the Director of Human Resources report back to the Budget Advisory Committee on Human Resources' restructuring implementation prior to the 2007 Budget process.

Other City Programs:

City Clerk's Office:

- (81) the 2006 BAC Recommended Operating Budget for the City Clerk's Office of \$47.005 million gross and \$28.955 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Secretariat	7,660.5	7,129.4
Records & Information Management	21,873.6	9,192.5
Council & Support Services	2,425.5	1,890.5
Corporate Access & Privacy	1,604.2	1,554.2
Elections & Registry Services	11,900.8	7,647.1
Protocol	1,540.8	1,540.8
	<u> </u>	<u> </u>
Total Program Budget	<u>47,005.4</u>	<u>28,954.5</u>

- (82) the City Clerk report to the Administration Committee before the start of the 2007 Budget process on the operational impact on the City Clerk's Office arising from the new City of Toronto Act, the new governance structure for the City, and governance issues reported by the Bellamy Commission, and any financial implications and impact from these changes;
- (83) the staff recommendations (1), (2) and (4) in the Recommendations Section of the report (November 4, 2005) from the City Clerk and Chief Corporate Officer entitled "Status Report on Maintaining Services at East York Civic Centre," as recommended by the Administration Committee, be adopted:
- “(1) that the intake of documents and payments for City Clerk's Office, Registry Services functions be assumed by Revenue Services Division immediately;
- (2) that the reception and information services at East York Civic Centre, currently provided by Access Toronto, be assumed by the Revenue Services Division, once renovations to the building have been completed in the New Year (2006); and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect hereto including the introduction of any necessary bills,”;
- (84) the staff recommendations (3), (4), (5) and (6) in the Recommendations Section of the report (December 14, 2005) from the City Clerk entitled "Establishing New Committees and Advisory Bodies – Resource Impact and Compliance with Section 108 of Council's Procedure By-law", be adopted;
- “(3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;
- (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:

- (i) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;
 - (ii) confirming the availability of resources to provide meeting support services; and
 - (iii) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;
- (5) following adoption of policy contained in recommendation (4), the City Clerk's Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;"
- (85) the staff recommendation (2) in the Recommendations Section of the report (December 14, 2005) from the City Clerk be received:
 - "(2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk's Office 2006 Operating Budget;"
- (86) the City Clerk's Office cease to provide secretariat support to the following committees, effective May 1, 2006:
 - (a) Task Force to Bring Back the Don;
 - (b) Aboriginal Affairs Committee;
 - (c) Disability Issues Committee;
 - (d) Food and Hunger Action Committee;
 - (e) Tenant Defence Sub-committee;
 - (f) Advisory Committee for Homes for the Aged;
 - (g) Toronto Centre for the Arts Board of Directors;
 - (h) Steeles Avenue Sub-committee;
 - (i) Works Committee Community Partnership Sub-Committee;
 - (j) Parc Downsview Park Operating Protocol Committee; and
 - (k) Gardiner Lake Shore Corridor Task Force;

and that appropriate divisional program staff provide secretariat support to those committees effective May 1, 2006;

- (87) the City Clerk's Office continue to provide secretariat support services to the following committees:
- (a) Mayor's Economic Competitiveness Advisory Committee;
 - (b) Affordable Housing Committee;
 - (c) Community Partnership and Investment Program Appeals Sub-committee; and
 - (d) Bellamy Recommendations Steering Committee;
- (88) City Council request the Provincial Government to
- (a) compensate the loss of revenue in gaming and bingo to the City of Toronto, including individual charities, and
 - (b) under the new *City of Toronto Act*, give authority to conduct a City of Toronto lottery to offset loss of revenues; and
- (89) the following recommendation be referred to the Council Procedures and Meeting Management Working Group:
- "The City Clerk be requested to include in the ongoing review of Council Procedures a requirement that all Notices of Motion submitted to City Council only be considered if they meet the regular agenda deadline (5 business days before the meeting)."

Legal Services:

- (90) the 2006 BAC Recommended Operating Budget for Legal Services of \$28.585 million gross and \$18.323 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Municipal Law	5,206.5	2,882.0
Litigation	4,943.7	3,146.2
Administration	1,520.5	1,283.5
Planning	4,349.2	3,377.1
Real Estate	4,398.2	3,809.9
Employment Law	2,217.3	2,167.3
Prosecutions	5,949.3	1,657.3
Total Program Budget	28,584.7	18,323.3

- (91) the staff recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (October 31, 2005) from the Treasurer and City Solicitor, entitled: “2006 Operating Budget Request – Additional Staff Resources to Manage Assessment and Taxation Issues”, as recommended by the Administration Committee, be adopted;
- “(1) gross expenditures of \$476,900 (to cover the cost of five additional staff for Revenue Services and an inter-department charge from Legal Services for one additional solicitor) be included in the Revenue Services Division’s 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from the City’s Non-Program Tax Deficiency Budget resulting in a net expenditures of \$0.00 for the Revenue Services Division;.
- (2) gross expenditure of \$92,000 (to cover the cost of one staff for Legal Services) be included in the Legal Services Division’s 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from Revenue Services resulting in a net expenditure of \$0.00 for the Legal Services Division;
- (3) an inter-divisional charge of \$476,900 be included in the 2006 Operating Budget Estimates for Non-Program Tax Deficiency Budget to fund the expenditures noted above;
- (4) the 2006 Operating Budget Estimates for the Non-Program Tax Deficiency Budget be reduced by \$2.5 million, provided the Revenue Services Division Operating Budget for 2006 is increased by the requested \$476,900; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”
- (92) the staff recommendations (1) and (3) in the Recommendations Section of the report (November 2, 2005) from the City Solicitor, entitled: “2006 Operating Budget Request - Converting Two Litigation Solicitors’ Positions from Temporary to Permanent, as recommended by the Administration Committee, be adopted;
- “(1) the two litigation solicitor positions be converted from temporary to permanent; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”
- (93) the City Solicitor report to the Budget Advisory Committee on the successes of Legal Services in defending the City’s position at the OMB;
- (94) the Planning and Transportation Committee consider requesting the City Solicitor to report on a policy on using outside planners; and

(95) the City Solicitor report to the Administration Committee on:

- (a) where there is no staff for a Planning or Committee of Adjustment appeal, a two-thirds vote of City Council be required for the City Solicitor or outside counsel to attend an OMB hearing; and
- (b) any report or any motion requesting the City Solicitor to attend an OMB hearing include costs for both internal and external staff prior to being considered by Council.

Auditor General's Office:

(96) the 2006 BAC Recommended Operating Budget for the Auditor General's Office of \$3.881 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Auditor General's Office	3,880.5	3,880.5
Total Program Budget	<u>3,880.5</u>	<u>3,880.5</u>

Mayor's Office:

(97) the 2006 BAC Recommended Operating Budget for the Mayor's Office of \$1.888 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Mayor's Office	1,888.2	1,888.2
Total Program Budget	<u>1,888.2</u>	<u>1,888.2</u>

City Council:

(98) the 2006 BAC Recommended Operating Budget for the City Council of \$18.791 million gross and net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Councillors' Salaries & Benefits	4,650.5	4,650.5
Councillors' Staff Salaries & Benefits	10,126.6	10,126.6
Councillors' Office Budget	2,256.4	2,256.4
Councillors' General Expenses	1,557.6	1,557.6
Integrity Commissioner's Office	<u>200.0</u>	<u>200.0</u>
Total Program Budget	<u>18,791.1</u>	<u>18,791.1</u>

Agencies, Boards and Commissions:

Public Health:

- (99) the 2006 BAC Recommended Operating Budget for Toronto Public Health of \$210.493 million gross and \$63.926 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Office of MOH	1,178.5	412.5
Planning & Policy	12,161.1	4,226.8
Healthy Families	56,529.1	9,456.3
Communicable Diseases	39,290.7	11,395.8
Healthy Environments	30,217.9	14,699.3
Healthy Living	32,963.9	10,978.4
Dental Services	18,994.1	8,083.1
Support Services	19,157.5	4,673.6
Total Toronto Public Health	<u>210,492.9</u>	<u>63,925.9</u>

- (100) the staff recommendations (1), (2) and (4) in the Recommendations Section of the report (January 4, 2006) from the Medical Officer of Health entitled "Public Health Agency of Canada Funding for "A Skills Building Workshop: The Impact of Crack Smoking and Crystal Methamphetamine Use on Hepatitis C Transmission of Drug Users in Ontario, be adopted: and

- “(1) the Medical Officer of Health be authorized to receive up to \$68 thousand of one time 100 percent federal funding to develop a Skills Building Workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine for staff of Ontario Needle Exchange Programs and other relevant staff;
- (2) an amount of \$68.0 thousand gross and \$68.0 thousand in federal funding revenue be added to the 2006 Toronto Public Health Operating Budget to support the development of the Skills Building Workshop; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Toronto Public Library:

- (101) the 2006 BAC Recommended Operating Budget for Toronto Public Library of \$158.329 million gross and \$144.691 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Library Services	152,845.9	139,408.3
Library Administration	<u>5,482.8</u>	<u>5,282.8</u>
Total Program Budget	<u><u>158,328.7</u></u>	<u><u>144,691.1</u></u>

Association of Community Centres:

(102) the 2006 BAC Recommended Operating Budget of \$6.009 million gross and \$5.849 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
519 Church St.	1,022.0	1,022.0
Applegrove	315.7	315.7
Cecil	564.6	564.6
Central Eglinton	471.5	471.5
Community Centre 55	564.4	564.4
Eastview Neighbourhood	425.9	425.9
Harbourfront	973.2	973.2
Ralph Thornton	576.2	536.8
Scadding Court	705.0	705.0
Swansea Town Hall	375.1	255.1
AOCC - General	<u>15.0</u>	<u>15.0</u>
Total Program Budget	<u><u>6,008.6</u></u>	<u><u>5,849.2</u></u>

(103) recommendation (2) contained in the communication (November 22, 2005) from the Policy and Finance Committee, entitled "Corporate Support Provided to the Ten City-Funded Community Centres (AOCCs)", be adopted.

"(2) the Executive Director, Social Development and Administration and the General Manager, Parks, Forestry and Recreation be requested to review the status of the Fairbank Community Centre to determine the feasibility of revising its governance and administrative structure to one that parallels that of the Board-run community centres."; and

(104) recommendation (1) contained in the communication (November 22, 2005) from the Policy and Finance Committee, entitled "Corporate Support Provided to the Ten City-Funded Community Centres (AOCCs)", be received;

- “(1) City Council adopt the staff recommendations contained in the Recommendations Section of the report (November 1, 2005) from the Executive Director, Social Development and Administration.”

Exhibition Place:

- (105) the 2006 BAC Recommended Operating Budget for Exhibition Place of \$47.512 million gross and \$0.335 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Canadian National Exhibition	20,712.9	(797.8)
Exhibition Place	14,097.0	2,025.0
National Trade Centre	12,702.0	(892.0)
	<hr/>	<hr/>
Total Program Budget	<u>47,511.9</u>	<u>335.2</u>

Heritage Toronto:

- (106) the 2006 BAC Recommended Operating Budget for Heritage Toronto of \$0.670 million gross and \$0.339 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Heritage Programming	267.3	43.3
Advocacy	237.6	234.4
Heritage Fund Development	165.5	61.6
	<hr/>	<hr/>
Total Program Budget	<u>670.4</u>	<u>339.3</u>

- (107) 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; and
- (108) 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.

Theatres:

- (109) the 2006 BAC Recommended Operating Budget for Theatres of \$29.798 million gross and \$2.867 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Hummingbird Centre for the Performing Arts	22,063.2	98.2
St. Lawrence Centre for the Arts	3,745.4	1,492.1
Toronto Centre for the Arts	3,989.5	1,276.6
	<u>29,798.1</u>	<u>2,866.9</u>
Total Program Budget	<u>29,798.1</u>	<u>2,866.9</u>

- (110) funding in the amount of \$1.714 million be provided from the Hummingbird Capital Reserve Fund (XR 3003) for state of good repair maintenance for 2006; and
- (111) funding in the amount of \$0.417 million be provided from the Toronto Centre for the Arts Capital Reserve Fund (XR 3007) for state of good repair maintenance for 2006.

Toronto Zoo:

- (112) the 2006 BAC Recommended Operating Budget for Toronto Zoo of \$37.444 million gross and \$11.691 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Biology and Conservation	10,223.9	9,713.5
Marketing and Communications	10,112.9	602.6
Administrative and Site Services	15,479.1	15,100.2
General Management	1,092.2	1,056.3
Animal and Endangered Species	536.0	0.0
Revenue and Recoveries	0.0	(14,781.5)
	<u>37,444.1</u>	<u>11,691.1</u>
Total Program Budget	<u>37,444.1</u>	<u>11,691.1</u>

- (113) \$1.321 million of the Toronto Zoo's OMERS contribution holiday savings be applied to the following:
- (a) \$0.785 million to fund the Job Evaluation component of the CUPE settlement for the duration of the contract from 2005-2009;

(b) \$0.400 million to replenish the Animal Transaction Reserve;

(c) a contribution of \$0.136 million to the Zoo Stabilization Reserve; and

that future application of the job evaluation component of the OMERS savings be reviewed on a yearly basis to ascertain the need for this funding source;

(114) the General Manager and CEO of the Toronto Zoo investigate industry best practices for enhancing visitor levels and report to the Zoo Board of Management and the Budget Advisory Committee by June 2006;

(115) the General Manager and CEO of the Toronto Zoo explore alternative revenue streams and other income sources for augmenting its current funding base and report to Budget Advisory Committee prior to the 2007 Operating Budget process; and

(116) the General Manager and CEO of the Toronto Zoo report to the Budget Advisory Committee if total 2006 revenues exceed budgeted amounts, to seek approval for these funds to be applied to any outstanding accreditation concerns.

Arena Boards of Management:

(117) the 2006 BAC Recommended Operating Budget for Arena Boards of Management of \$5.674 million gross and \$0.120 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
George Bell Arena	445.1	20.2
William H. (Bill) Bolton Arena	723.0	0.0
Larry Grossman Forest Hill Memorial Arena	869.5	(1.0)
Leaside Memorial Community Gardens	908.9	92.8
McCormick Playground Arena	600.6	(0.1)
Moss Park Arena	660.4	(0.4)
North Toronto Memorial Arena	724.3	(0.9)
Ted Reeve Community Arena	742.4	9.4
	<hr/>	<hr/>
Total Program Budget	<u>5,674.2</u>	<u>119.9</u>

Yonge-Dundas Square:

(118) the 2006 BAC Recommended Operating Budget for Yonge-Dundas Square of \$1.072 million gross and \$0.583 million net, comprised of the following service, be approved:

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

Parking Tag Enforcement and Operations:

- (119) the 2006 BAC Recommended Operating Budget for Parking Tag Enforcement and Operations of \$43.218 million gross and (\$37.397) million net, comprised of the following services, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Parking Enforcement Unit	33,299.0	32,684.0
Parking Revenue Processing	8,950.8	8,950.8
Court Services – Judicial Processing of Parking Tickets	968.0	968.0
Parking Tag Revenue		(80,000.0)
Total Program Budget	43,217.8	(37,397.2)

- (120) the Chair of the Toronto Police Services Board, in consultation with the Deputy City Manager and Chief Financial Officer, report to the Administration Committee in 2007 on the operational and financial impacts of the implementation of handheld parking devices.

Toronto Atmospheric Fund:

- (121) the 2006 BAC Recommended Operating Budget for the Toronto Atmospheric Fund of \$2.296 million gross and \$0.000 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Toronto Atmospheric Fund	2,295.6	0.0
Total Program Budget	2,295.6	0.0

Toronto and Region Conservation Authority:

- (122) the 2006 BAC Recommended Operating Budget for Toronto and Region Conservation Authority of \$33.979 million gross and \$3.010 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Corporate Services	5,258.8	2,341.1
Watershed Health	17,350.3	2,486.5
Watershed Experience	9,832.6	1,696.0
Rouge Park Interim Management	1,537.7	82.9
Sub-total	33,979.3	6,605.5
Contribution from Wastewater Capital Reserve Fund		(3,596.7)
Total Program Budget	<u>33,979.3</u>	<u>3,009.8</u>

- (123) the contribution toward the Toronto and Region Conservation Authority 2006 Recommended Operating Budget from the Wastewater Capital Reserve Fund be increased from the 2005 level of \$3.393 million to \$3.597 million in 2006, an increase of \$0.204 million or 6 percent over the 2005 level; and
- (124) the General Manager of Toronto Water and the Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee before July 2006 on a consistent approach to the contribution from the Wastewater Capital Reserve Fund to the Toronto and Region Conservation Authority Operating Budget.

Toronto Transit Commission – Conventional:

- (125) the 2006 BAC Recommended Operating Budget for Toronto Transit Commission Conventional System of \$1,037.992 million gross and \$246.307 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Conventional	1,037,991.9	246,306.5
Total Program Budget	<u>1,037,991.9</u>	<u>246,306.5</u>

- (126) the Toronto Transit Commission (Conventional System) be requested to report back to the Budget Advisory Committee to determine the final disposition of the funds totaling \$10.060 million for the Ontario Health Premium payments for 2005 and 2006;

- (127) the 2006 provision (Conventional System) of \$6.441 million for dental benefits and \$10.600 million for medical benefits required in years beyond 2006 for the payment to fund TTC post-retirement benefits be postponed to those future years' budget considerations;
- (128) the Toronto Transit Commission be requested to report to the Budget Advisory Committee in 2006 with a multi-year fare strategy that preserves ridership but offsets to the greatest extent possible anticipated annual expenditures; and
- (129) the in-camera motion concerning a labour relations matter be adopted.

Toronto Transit Commission – Wheel-Trans:

- (130) the 2006 BAC Recommended Operating Budget for the Toronto Transit Commission Wheel-Trans of \$63.009 million gross and \$59.968 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Wheel-Trans	<u>63,009.1</u>	<u>59,968.3</u>
Total Program Budget	<u>63,009.1</u>	<u>59,968.3</u>

- (131) the Toronto Transit Commission (Wheel-Trans) be requested to report back to Budget Advisory Committee in 2006 to determine the final disposition of funds totalling \$0.440 million for the Ontario Health Premium payments for 2005 and 2006; and
- (132) the 2006 provision (Wheel-Trans) of \$0.790 million for medical and dental benefits required in years beyond 2006 for the payment to fund Toronto Transit Commission post-retirement benefits be postponed to those future years' budget considerations.

Toronto Police Service:

- (133) the 2006 BAC Recommended Operating Budget for Toronto Police Service of \$796.170 million gross and \$751.639 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Chief of Police	1,864.4	1,862.8
Specialized Operations Command	194,268.5	188,781.9
Divisional Policing Command	384,862.4	366,732.4
Administrative Command	157,664.4	142,443.5
Executive Command	30,096.7	26,236.0
Human Resources Command	<u>27,414.0</u>	<u>25,582.1</u>
Total Program Budget	<u>796,170.4</u>	<u>751,638.7</u>

- (134) the provincial funding of \$5.0 million for additional resources for Toronto Police Service, which is included in the 2006 BAC Recommended Operating Budget, be used as follows:
- (a) accelerate new officer hiring;
 - (b) backfill officer time for three rapid-response teams of 18 officers; and
 - (c) purchase necessary equipment for intelligence-gathering;
- (135) Toronto Police Services Board be requested to report back to the Budget Advisory Committee in June 2006 on the comparison of policing as a percentage of every tax dollar (Toronto Police Service is 23.8% in the 2005 Operating Budget) versus comparable police forces in large cities and municipalities across Canada;
- (136) Toronto Police Services Board be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the comparison of Toronto Police Service's Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada;
- (137) the Deputy City Manager responsible for the Municipal Licensing and Standards, in consultation with City Legal Services and other appropriate City staff, report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the Toronto Police Service's proposal to recover incremental costs (approximately \$2.0 million annually) of policing the Toronto Entertainment District at peak periods from businesses within the Entertainment District;
- (138) the Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process on the new staffing strategy with respect to the redeployment of 200 positions to uniformed positions, namely the criteria for redeployment, whom to redeploy, to and from which department, which services will be impacted or eliminated to accommodate this redeployment, and the resultant impact on base policing activity; and
- (139) the Chief of Police, as per the report received by the Toronto Police Services Board on December 15, 2005 regarding the 2006 Toronto Police Service Operating Budget, be requested to report back to the Budget Advisory Committee prior to the start of the 2007 Budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.

Toronto Police Services Board:

- (140) the 2006 BAC Recommended Operating Budget for Toronto Police Services Board of \$1.785 million gross and \$1.785 million net for the following service, be approved.

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Toronto Police Services Board	1,784.6	1,784.6
Total Program Budget	1,784.6	1,784.6

Community Partnership and Investment Program:

- (141) the 2006 BAC Recommended Operating Budget for Community Partnership and Investment Program of \$45.358 million gross and \$40.175 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Arts and Culture	16,092.4	16,092.4
Community Services	12,531.3	12,531.3
Recreation	1,305.4	1,305.4
Public Health	4,924.6	4,924.6
Housing	7,406.9	2,483.9
Access and Equity	773.8	773.8
Economic Development	541.3	541.3
Urban Development	569.3	309.3
Miscellaneous	1,212.9	1,212.9
Total Program Budget	45,357.9	40,174.9

- (142) there be a one-time increase of \$77,900 to the Health and Safety Fund to provide additional emergency response for drop-in centres from the unallocated portion of the 2006 City of Toronto Homeless Initiatives Fund;
- (143) additional funding of \$25,000 for the Toronto Region Research Alliance (TRRA), be conditional on TEDCO matching the amount;
- (144) a one-time grant of \$10,000 for promotion and advertising be added to the 2006 Operating Budget for Toronto Heritage Grant within the Community Partnership and Investment Program, and that this funding be fully offset from the Community Heritage Reserve Fund;

(145) the staff Recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (December 14, 2005) from the General Manager, Parks, Forestry and Recreation entitled “Harbourfront Centre – Renewal of Operating Grant”, be adopted:

- “(1) that Council renew the annual grant commitment of \$750,000 to Harbourfront Centre for one year from April 1, 2006, and ending March 31, 2007, or until Harbourfront Centre ceases to exist, ceases to operate Harbourfront Centre or loses its non-profit status;
 - (2) the General Manager, Parks, Forestry and Recreation be authorized to commence a review with Harbourfront Centre of their capital needs to ensure a state of good repair of the City-owned Harbourfront programming lands and report during the 2007 Budget Process on capital requirements;
 - (3) the General Manager, Parks, Forestry and Recreation be authorized to commence negotiations with Harbourfront Centre with respect to a renewal of the operating agreement and state of good repair capital funding for a term of 10 years, commencing April 1, 2007, and ending March 31, 2017, outlining such additional terms and conditions as deemed necessary or appropriate, and that the financial implications be reported during the 2007 Budget Process;
 - (4) subject to City Council adopting Recommendation (3), the Government of Canada be requested to jointly examine a 10-year financial plan to ensure financial stability of Harbourfront Centre; and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;”
- (146) staff to work with other funders such as the United Way, Provincial and Federal Governments to leverage additional funds to supplement the base Service Development Investment Program; and
- (147) the Deputy City Manager review and report to Budget Advisory Committee before the 2007 Budget process, on the financial impact of the Provincial consolidation of the homelessness program funding, to determine whether funding should remain within the Community Partnership and Investment Program for future years.

Capital and Corporate Financing/Non-Program:

(148) the 2006 BAC Recommended Operating Budget for Non-Program of \$863.258 million gross and \$182.066 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Capital and Corporate Financing	501,477.8	496,546.8
Non-Program Expenditures	361,780.0	258,305.4
Non-Program Revenues	_____	<u>(572,786.7)</u>
Total Program Budget	<u>863,257.8</u>	<u>182,065.5</u>

- (149) the 2006 BAC Recommended Operating Budget for Non-Program Expenditures include the required funding of \$1,059,444.00 in 2006 referred to in Recommendation (5) of Policy and Finance Committee Report 8, Clause 39 - “The Corporation of the City of York Employee Pension Plan, Actuarial Valuation of Funding Purposes as at January 1, 2005”;
- (150) the 2006 BAC Recommended Operating Budget for Non-Program Expenditures include the required funding of \$11,614,800.00 in 2006 referred to in Recommendation (2)(f) of Policy and Finance Committee Report 8, Clause 40 – “Metro Toronto Police Benefit Fund, Actuarial Valuation as at December 31, 2004”;
- (151) the staff recommendations (1), (2), (3), (4), (6) and (7) contained in the Recommendations Section of the report (December 15, 2005) from the Deputy City Manager and Chief Financial Officer, entitled “Revisions to Tax Sale Process Resulting from Brownfields Legislation (All Wards)”, be adopted:
- “(1) a new Non-Program expenditure budget in the amount of \$385,000.00 be established, entitled “Sale of Land for Tax Arrears – Investigations”, to fund the cost of inspections, environmental investigations and appraisals (“Information Reports”) incurred subsequent to a failed tax sale; and that such funding to be provided from a reallocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts;
 - (2) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate to vest a property in the City in circumstances where a tax sale has been unsuccessful, the property is not a condominium, and Information Reports indicate that the tax sale property has no apparent environmental conditions;
 - (3) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate, following a failed tax sale, to write off tax arrears on properties where such arrears do not exceed \$10,000.00 and that Article 17 of Chapter 71 of the City of Toronto Municipal Code, Financial Control, be amended to give effect to this delegation;
 - (4) Article 16 of Chapter 441 of the City of Toronto Municipal Code, Fees, respecting Scale of Costs for Tax Sale Proceedings under Part XI of the *Municipal Act, 2001*, be amended to include the cost of a Preliminary Observation Report in the cancellation price;
 - (6) authority be granted for the introduction of any necessary Bills to implement the foregoing; and
 - (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;
- (152) the staff recommendations in the Recommendations Section of the report (February 7, 2006) from the Deputy City Manager and Chief Financial Officer, headed “2006 Annual Sinking Fund Levy and Activity During 2005”, be adopted:

- “(1) the 2006 sinking fund levies required by by-law (as amended by the Ontario Municipal Board orders to reduce levies) to be raised in 2006 by Council for deposit in the City of Toronto Sinking Fund be approved as follows:

City of Toronto	\$126,253,535.81
Water and Wastewater	989,944.57
Toronto District School Board	<u>6,128,776.63</u>
Total	<u>\$133,372,257.01;</u> and

- (2) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.”;
- (153) the Mayor of Toronto again ask the Province of Ontario for an amended template agreement so that the revenue to the municipality from slot machines in excess of 1,300 machines be at least equivalent to the revenues received and paid for the first 450 machines, namely, 5 percent for the first 450 machines; 2 percent for the next 850 machines up to 1,300 machines; and 5 percent for any number in excess of 1,300 machines; and
- (154) the Deputy City Manager and Chief Financial Officer further review:
- (a) the feasibility of closing First Appearance Facilities and/or reducing full time equivalent staff positions; and
 - (b) the feasibility of introducing a new user fee for Parking Tag mail-in and counter payments,

and report thereon to the Administration Committee prior to the 2007 Budget process.

Toronto Parking Authority:

- (155) the 2006 BAC Recommended Operating Budget for the Toronto Parking Authority of \$54.801 million gross and (\$40.383 million) net, comprised of the following services, be approved:


<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
On-Street Parking	10,934.9	(25,065.1)
Off-Street Parking	<u>43,866.4</u>	<u>(15,318.2)</u>
Total Program Budget	<u>54,801.3</u>	<u>(40,383.3)</u>

- (156) the increase in \$50 thousand net revenue included in the 2006 BAC Recommended Operating Budget, be generated from revenue from the City-owned downtown properties under the jurisdiction of Facilities and Real Estates that will be made available to the Authority in 2006.

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee		2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	\$		\$	\$ %	\$
Parks, Forestry & Recreation					
Early Childhood Programs					
General Day Camp (1/2 day)-Subscriber, weekly session	19.50		22.00	2.50 12.8%	19,740.00
Children's Programs					
General Day Camp (1/2 day)-Subscriber, weekly session	19.50		22.00	2.50 12.8%	3,520.00
General Day Camp (full day)-Subscriber, weekly session	35.00		40.00	5.00 14.3%	74,950.00
Youth Programs					
General Day Camp (1/2 day)-Subscriber, weekly session	19.50		22.00	2.50 12.8%	940.00
General Day Camp (full day)-Subscriber, weekly session	35.00		40.00	5.00 14.3%	3,150.00
Fire Services					
False Alarm Fees	350.00		350.00	n/a n/a	2,122,875.00
Transportation					
Awnings, Sign Posts, Gas Lamps, Fire Escape - Annual fee	24.68		25.10	0.42 1.7%	180,400.00 ↓
Awnings, sign Posts, Gas Lamps Fire Escape - agreement fee	415.40		422.46	7.06 1.7%	
Projecting Canopy - Annual fee per square metre	3.46		3.52	0.06 1.7%	
Projecting Canopy - Annual fee per square metre minimum charge	5.14		5.23	0.09 1.8%	
Projecting Canopy - agreement fee	415.40		422.46	7.06 1.7%	
Administration Survey & Inspection fee	64.13		65.22	1.09 1.7%	
Building Encroaching upon a Street < 2.5 stories	705.65		717.65	12.00 1.7%	
Building Encroaching upon a Street > 2.5 stories	1,026.41		1,043.86	17.45 1.7%	
Refacing of Building Encroaching on Street	246.65		250.84	4.19 1.7%	
Tunnels Bridges, areaways, fuel oil pipe or other opening - application fee < .3 metres and < \$1 million	63.46		64.54	1.08 1.7%	
Tunnels Bridges, areaways, fuel oil pipe or other opening application fee > .3 metres and < \$1 million	415.40		422.46	7.06 1.7%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	\$	
Tunnels Bridges, areaways, fuel oil pipe or other opening application fee > .3 metres and > \$1 million	1,788.50	1,818.90	30.40	1.7%	
Market value for exclusive use of tunnels and bridges based on square metres - Annual fee Area 1 - per square metre	23.08	23.47	0.39	1.7%	
Market value for exclusive use of tunnels and bridges based on square metres - Annual fee Area 2 - per square metre	13.86	14.10	0.24	1.7%	
Market value for exclusive use of tunnels and bridges based on square metres - minimum charge	9.20	9.36	0.16	1.7%	
Excavation and Construction i.e. Paving	115.38	117.34	1.96	1.7%	
Encroachments (steps, walls, planters etc.)< .3 metres and < \$1million	63.46	64.54	1.08	1.7%	
Landscaping/Streetscaping > .3 metres and < \$1 million	415.40	422.46	7.06	1.7%	
Fences and Ornamental Walls >.3 metres and > \$1million	1,788.50	1,818.90	30.40	1.7%	
Loading Zone & Entrance Protection - one time installation	68.27	69.43	1.16	1.7%	
Loading Zone - annual fee	256.02	260.37	4.35	1.7%	
Loading Zone - annual fee entrance protection	68.27	69.43	1.16	1.7%	
Marquees - Annual Inspection Charge	25.67	26.11	0.44	1.7%	
Marquees - permit fee	115.38	117.34	1.96	1.7%	
Telecommunications Cable (other than networks) - application fee	415.40	422.46	7.06	1.7%	
Telecommunications Cable (other than networks) - Annual fee per lineal metre - Area 1	23.54	23.94	0.40	1.7%	
Telecommunications Cable (other than networks) Annual fee per lineal metre - Area 2	11.77	11.97	0.20	1.7%	
Piling and Shoring - Application fee	2,884.69	2,933.73	49.04	1.7%	
Piling and Shoring - Inspection fee	64.69	65.79	1.10	1.7%	
Curb cuts - New Access (no encroachments) Permit fee - Commercial/industrial/residential greater than 10 units + construction cost of ramps (dependent on the number of sidewalk bays)	600.01	610.21	10.20	1.7%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	%	
	\$	\$	\$	%	\$
Curb cuts - New Access (no encroachments) Permit fee - Residential less than 10 units + construction cost of ramps (dependent on the number of sidewalk bays)	69.23	70.41	1.18	1.7%	
Property Information fee	60.00	60.00	0.00	0.0%	
Disposal Bins - per day	28.85	29.34	0.49	1.7%	
Hoarding, Covered Way and Scaffolding per metre	10.81	10.99	0.18	1.7%	
Hoarding, Covered Way and Scaffolding per metre for blvd enclosed	3.60	3.66	0.06	1.7%	
Hoisting - Mobile Crane per day	28.85	29.34	0.49	1.7%	
Hoisting Swing Tower Crane, Other Plant (chutes,hoses,hoist),Storage of Materials, Still Photography	28.85	29.34	0.49	1.7%	
Temporary Street Closing for Construction Purposes - per metre	10.81	10.99	0.18	1.7%	
Temporary Street Closing for Construction Purposes - per metre for the blvd enclosed	3.60	3.66	0.06	1.7%	
Loads over Dimensional (Special/Annual Excess) Special fee	28.44	28.92	0.48	1.7%	
Loads over Dimensional (Special/Annual Excess) Annual Fee	170.69	173.59	2.90	1.7%	
Site Service - Permit fee	115.38	117.34	1.96	1.7%	
Banners Application fee	68.27	69.43	1.16	1.7%	
Banners Charitable no sponsorship	no fee	no fee			
Banners Charitable with sponsorship per pole	5.69	5.79	0.10	1.8%	
Banners non-charitable per pole	11.38	11.57	0.19	1.7%	
Banners - Hoisting fee	28.85	29.34	0.49	1.7%	
Banners - BIA only Application fee	68.27	69.43	1.16	1.7%	
Banners with BIA boundary, sponsorship shown on the banner per pole	5.69	5.79	0.10	1.8%	
Banners - BIA only Banners outside BIA boundary	11.38	11.57	0.19	1.7%	
Publication Vending Boxes application fees	62.59	63.65	1.06	1.7%	
Publication Vending Boxes application fees - Downtown core (there are no areas in 2006)	43.25	N/A			
Publication Vending Boxes application fees - Area 2 (there are no areas in 2006)	29.01	N/A			



2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee		2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	\$		\$	\$ %	\$
Publication Vending Boxes first 100 boxes	N/A		25.00		
Publication Vending Boxes for each additional box after 100 boxes	N/A		100.00		
Publication Kiosks - application fee	68.27		69.43	1.16 1.7%	
Publication Kiosks - annual fee per square metre	68.27		69.43	1.16 1.7%	
Sidewalk Sales - permit fee	227.59		231.46	3.87 1.7%	
Special Event Permit (Street Festival, Races)	64.15		65.24	1.09 1.7%	
Christmas Decorations permit fee	68.27		69.43	1.16 1.7%	
Permit Parking - first vehicle Annual fee - one month	10.00		10.17	0.17 1.7%	534,400.00
Permit Parking - first vehicle Annual fee - six months	60.00		61.02	1.02 1.7%	
Permit Parking - first vehicle Annual fee for - one year	120.00		122.04	2.04 1.7%	
Permit Parking - second and subsequent vehicle - one month	25.00		25.43	0.43 1.7%	
Permit Parking - second and subsequent vehicle - six months	150.00		152.55	2.55 1.7%	
Permit Parking second and subsequent vehicle - one year	300.00		305.10	5.10 1.7%	
On-street parking with access to parking - one month	35.00		35.60	0.60 1.7%	
On-street parking with access to parking - six months	210.00		213.57	3.57 1.7%	
On-street parking with access to parking - one year	420.00		427.14	7.14 1.7%	
Temporary Permit for Visitors	14.00		14.24	0.24 1.7%	
Driveway Widening application fee	260.00		264.42	4.42 1.7%	
Driveway Widening transfer fee	60.00		61.02	1.02 1.7%	
Driveway Widening annual fee	102.00		122.04	20.04 19.6%	
Disabled Front Yard Parking Application fee	60.00		61.02	1.02 1.7%	
Disabled Front Yard Parking Annual fee	102.00		122.04	20.04 19.6%	
Front Yard Parking Application fee	260.00		264.42	4.42 1.7%	
Front Yard Parking Transfer fee	60.00		61.02	1.02 1.7%	
Front Yard Parking Annual fee	102.00		122.04	20.04 19.6%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	%	
	\$	\$	\$	%	\$
Front Yard Parking non-refundable appeal fee	200.00	203.40	3.40	1.7%	↓
Residential Boulevard Parking application fee	260.00	264.42	4.42	1.7%	
Residential Boulevard Parking transfer fee	60.00	61.02	1.02	1.7%	
Residential Boulevard Parking Annual fee	102.00	122.04	20.04	19.6%	
Commercial Boulevard parking application fee	284.48	289.32	4.84	1.7%	
Commercial Boulevard Parking Annual fee area 1	330.01	335.62	5.61	1.7%	
Commercial Boulevard Parking Annual fee area 2	250.35	254.61	4.26	1.7%	
WES - Technical Services					
Engineering Fees					
Engineering Fee (subdivison application) *	3% of municipal infrastructure cost	5% of municipal infrastructure cost	n/a	2.0%	565,000.00
Engineering Fee (rezoning, site plan application, etc.) [New fee]	n/a	5% of municipal infrastructure cost	n/a	n/a	750,000.00
City Planning					
Official Plan Amendment/Application	10,250.99	12,116.67	1,865.68	18.2%	1,630,000.00 (effective April 1, 2006) ↓
Zoning By-law Amendment	4,115.64	4,864.69	749.05	18.2%	
Holding By-law Amendment	4,100.39	4,846.66	746.27	18.2%	
Plan of Subdivision Approval	15,376.48	18,175.00	2,798.52	18.2%	
Approval of Description pursuant to the Condominium Act, 1998	10,250.99	12,116.67	1,865.68	18.2%	
Part Lot Control under Section 50(5) of the Planning Act	6,151.60	7,271.19	1,119.59	18.2%	
Site Plan Control (Approval of Plans and Drawings under Section 41 of the Planning Act	1,708.53	2,019.48	310.95	18.2%	
Consent under Section 50(3) of the Planning Act	2,104.03	2,152.42	48.39	2.3%	77,200.00 (effective Jan. 1, 2006) ↓
Additional Lots	1,352.60	1,383.71	31.11	2.3%	
Other	1,052.02	1,076.22	24.20	2.3%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description			2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	2005 Fee				
	\$	\$	\$	%	\$
Minor Variance -Clear Title	450.86	461.23	10.37	2.3%	
Addition (3 units or less)	601.15	614.98	13.83	2.3%	
With OTC (order to comply)	1,202.30	1,229.95	27.65	2.3%	
All Other	1,352.60	1,383.71	31.11	2.3%	
With OTC (order to comply)	2,705.20	2,767.42	62.22	2.3%	
Building Services					
Construction - Group A (Assembly Occupancies) - Rec, schools, libraries, place of worship, rest, theatres, arenas etc	21.00	21.97	0.97	4.6%	2,150,000.00 (effective Jan. 1, 2006) 
Construction - Group A (Assembly Occupancies) - restaurant (shell)	17.58	18.39	0.81	4.6%	
Construction - Group A (Assembly Occupancies) Open Public Swimming Pools	5.65	5.91	0.26	4.6%	
Construction - Group A (Assembly Occupancies) Transit Stations, Subways, Bus Terminals	16.25	17.00	0.75	4.6%	
Construction - Group A (Assembly Occupancies) All Other group A Buildings	21.00	21.97	0.97	4.6%	
Construction - Group B (Institutional Occupancies) Institutional, Hosp., Nursing Homes, Other Group B Buildings	22.35	23.38	1.03	4.6%	
Construction - Group C (Residential Occupancy) Single Family Dwellings, Semis, Towns, Duplexes, Live/Work Units	12.60	13.18	0.58	4.6%	
Construction - Group C (Residential Occupancy) All Other Multiple Unit Buildings, Motels Above 2 Storeys & Hotels	19.95	20.87	0.92	4.6%	
Construction - Group C (Residential Occupancy) - Certification of plans	6.30	6.59	0.29	4.6%	
Construction - Group C (Residential Occupancy) - Permits for certified plans	10.70	11.19	0.49	4.6%	
Construction - Group C (Residential Occupancy) All Other Residential Occupancies	12.60	13.18	0.58	4.6%	
Construction - Group D (Business and Personal Service Occupancies) Office Bldg (Shell), All Other Group D Bldg (Shell)	13.20	13.81	0.61	4.6%	
Construction - Group D (Business and Personal Service Occupancies) Office Bldg (finished), Med Clinics, Fire Halls, Group D Buildings	16.60	17.36	0.76	4.6%	
Construction - Group E (Mercantile Occupancies) Retail Stores (Shell)	10.70	11.19	0.49	4.6%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	%	
Construction - Group E (Mercantile Occupancies) Retail Stores (finished), Dept Stores, Supermarkets, Other Group E Bldgs.	14.10	14.75	0.65	4.6%	<div>↓</div>
Construction - Group F (Industrial Occupancies) Industrial Bldgs, Warehouses (Shell less than 7500 sq. m.)	8.40	8.79	0.39	4.6%	
Construction - Group F (Industrial Occupancies) Industrial Bldgs, (finished Less than 7500 sq. m.)	11.55	12.08	0.53	4.6%	
Construction - Group F (Industrial Occupancies) Industrial Bldgs, warehouses, (shell greater than 7500 sq. m.)	6.80	7.11	0.31	4.6%	
Construction - Group F (Industrial Occupancies) (Industrial Bldgs, (finished, greater than 7500 sq. m.)	10.20	10.67	0.47	4.6%	
Construction - Group F (Industrial Occupancies) Gas Stations, Car Washes	10.50	10.98	0.48	4.6%	
Construction - Group F (Industrial Occupancies) Parking Garages (UG Open Air)	5.50	5.75	0.25	4.6%	
Construction - Group F (Industrial Occupancies) All Other Group F Buildings	11.55	12.08	0.53	4.6%	
Alterations and Renovations Interior Alterations (partitions, finishing, etc), Group A, B and D	3.40	3.56	0.16	4.6%	
Alterations and Renovations Interior Alterations (partitions, finishing, etc), Group C, E and F	3.15	3.29	0.14	4.6%	
Demolition All Buildings and Occupancies	0.11	0.12	0.01	4.6%	
Demolition Implosion, (In Addition To Service Index)	1,575.00	1,647.45	72.45	4.6%	
Demolition, Enviromental Review (In Addition To Service Index)	700.00	732.20	32.20	4.6%	
Designated Structures (OB C 2.1.2) Communication Tower	288.75	302.03	13.28	4.6%	
Designated Structures (OB C 2.1.2) Crane Runway	288.75	302.03	13.28	4.6%	
Designated Structures (OB C 2.1.2) Exterior Tank and Support	288.75	302.03	13.28	4.6%	
Designated Structures (OB C 2.1.2) Pedestrian Bridge	288.75	302.03	13.28	4.6%	
Designated Structures (OB C 2.1.2) Retaining Wall	8.40	8.79	0.39	4.6%	
Designated Structures (OB C 2.1.2) Satellite Dish, Solar Collector	288.75	302.03	13.28	4.6%	
Stand Alone and Miscellaneous Work Pool Fence Enclosures	84.00	87.86	3.86	4.6%	
Stand Alone and Miscellaneous Work Air Supported Structures	6.00	6.28	0.28	4.6%	
Stand Alone and Miscellaneous Work Balcony Guards (replacements)	1.57	1.64	0.07	4.6%	
Stand Alone and Miscellaneous Work Balcony Repairs	14.70	15.38	0.68	4.6%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee		2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	\$		\$	\$ %	\$
Stand Alone and Miscellaneous Work Basements, Finishing In Dwellings/TH	4.20		4.39	0.19 4.6%	↓
Stand Alone and Miscellaneous Work In Basements, Unfinished, Non-Residential	4.20		4.39	0.19 4.6%	
Stand Alone and Miscellaneous Work Canopy Without Enclosure	4.50		4.71	0.21 4.6%	
Stand Alone and Miscellaneous Work, Ceilings (Added or Replacement)	0.42		0.44	0.02 4.6%	
Stand Alone and Miscellaneous Work Demising Walls (No Other Construction)	4.20		4.39	0.19 4.6%	
Stand Alone and Miscellaneous Work, Electromagnetic Locks	31.50		32.95	1.45 4.6%	
Maximum	315.00		329.49	14.49 4.6%	
Stand Alone and Miscellaneous Work, Emergency Lighting	36.75		38.44	1.69 4.6%	
Maximum	367.50		384.41	16.91 4.6%	
Stand Alone and Miscellaneous Work, Farm Buildings	7.35		7.69	0.34 4.6%	
Stand Alone and Miscellaneous Work, Fire Alarms	52.50		54.92	2.42 4.6%	
Maximum	525.00		549.15	24.15 4.6%	
Stand Alone and Miscellaneous Work, Fire Doors (Retrofit)	21.00		21.97	0.97 4.6%	
Maximum	315.00		329.49	14.49 4.6%	
Stand Alone and Miscellaneous Work, Fireplaces, Woodstoves	84.00		87.86	3.86 4.6%	
Stand Alone and Miscellaneous Work, Mechanical Service Spaces and Penthouses	7.35		7.69	0.34 4.6%	
Stand Alone and Miscellaneous Work - Slab reconstruction	4.20		4.39	0.19 4.6%	
Stand Alone and Miscellaneous Work -Parking Garage repairs	1.57		1.64	0.07 4.6%	
Stand Alone and Miscellaneous Work - Noncertified portable classrooms	105.00		109.83	4.83 4.6%	
Stand Alone and Miscellaneous Work - certifiable portable classrooms	105.00		109.83	4.83 4.6%	
Stand Alone and Miscellaneous Work-certified portable classrooms	52.50		54.92	2.42 4.6%	
Stand Alone and Miscellaneous Work, Repairs or Recladding of Walls, Re-roofing (non structural)	0.52		0.54	0.02 4.6%	
Stand Alone and Miscellaneous Work, Re-roofing with Structural Work, Raise Roof Structure	4.20		4.39	0.19 4.6%	
Stand Alone and Miscellaneous Work, Residential Decks, Porches, Carports	84.00		87.86	3.86 4.6%	
Stand Alone and Miscellaneous Work, Shoring	8.40		8.79	0.39 4.6%	
Stand Alone and Miscellaneous Work, Single Family Detached Garages, Accessory Structures	84.00		87.86	3.86 4.6%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description			2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	2005 Fee				
	\$	\$	\$	%	\$
Stand Alone and Miscellaneous Work, Sprinklers	0.42	0.44	0.02	4.6%	↓
Stand Alone and Miscellaneous Work, Standpipes (Retrofit)	36.75	38.44	1.69	4.6%	
Maximum	367.50	384.41	16.91	4.6%	
Stand Alone and Miscellaneous Work - Tent certification	84.00	87.86	3.86	4.6%	
Stand Alone and Miscellaneous Work - Additional tent	26.25	27.46	1.21	4.6%	
Stand Alone and Miscellaneous Work - Permits for certified tents	84.00	87.86	3.86	4.6%	
Stand Alone and Miscellaneous Work - All other temporary tents (Up to 225 Sq.m. plus)	1.05	1.10	0.05	4.6%	
Stand Alone and Miscellaneous Work, All Other Temporary Tents (For additional area over 225 sq. m.)	0.26	0.27	0.01	4.6%	
Stand Alone and Miscellaneous Work, Trailers, Sales Pavillions and Temporary Buildings	10.50	10.98	0.48	4.6%	
Stand Alone and Miscellaneous Work, Underpinning	8.40	8.79	0.39	4.6%	
Stand Alone and Miscellaneous Work, Window Replacements (except for SFD)	2.10	2.20	0.10	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	1.30	1.36	0.06	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	131.25	137.29	6.04	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	183.75	192.20	8.45	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	105.00	109.83	4.83	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	105.00	109.83	4.83	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	0.95	0.99	0.04	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	1.05	1.10	0.05	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	157.50	164.75	7.25	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	1.30	1.36	0.06	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	0.26	0.27	0.01	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	0.73	0.76	0.03	4.6%	
Stand Alone Mechanical Work, HVAC and Plumbing, (Add On System)	131.25	137.29	6.04	4.6%	
Stand Alone Mechanical Work, HVAC and Plumbing, (Boiler/Furnace replacement or A/C Unit)	262.50	274.58	12.08	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	315.00	329.49	14.49	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	15.75	16.47	0.72	4.6%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006


User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	%	
Stand Alone Mechanical Work (HVAC and Plumbing)	21.00	21.97	0.97	4.6%	\$
Stand Alone Mechanical Work (HVAC and Plumbing)	84.00	87.86	3.86	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	84.00	87.86	3.86	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	1.78	1.86	0.08	4.6%	
Stand Alone Mechanical Work (HVAC and Plumbing)	1.78	1.86	0.08	4.6%	
Stand Alone Mechanical Work - Other Plumbing Work	26.25	27.46	1.21	4.6%	
Stand Alone Mechanical Work - Other Plumbing Work	63.00	65.90	2.90	4.6%	
Stand Alone Mechanical Work - Other Plumbing Work	262.50	274.58	12.08	4.6%	
Stand Alone Mechanical Work - Other Plumbing Work	525.00	549.15	24.15	4.6%	
Authority to occupy before completion, Minimum	315.00	329.49	14.49	4.6%	
Examinatrion and inspection beyond 5 hours	63.00	65.90	2.90	4.6%	
Other Charges - additional or revised info submitted for a permit which applies to some or all of the permit which has been reviewed, the greater of \$84.00	84.00	87.86	3.86	4.6%	
Minimum	63.00	65.90	2.90	4.6%	
Other Charges - Construction without permit. If construction begins before the issuance of a building permit	50% of permit fees or \$100, whichever is greater				
Maximum	20,000.00	20,920.00	920.00	4.6%	
Other Charges - Construction without permit. Construction projects with permit application foe each stage oc construction.	50% of fee for the stage of construction begun w/o permit				
Maximum	20,000.00	20,920.00	920.00	4.6%	
Conditional Permit Under Section 8(3) of Building Code Act	Additional 10% of full fees				
Minimum	210.00	219.66	9.66	4.6%	
Maximum	2,100.00	2,196.60	96.60	4.6%	
Part Permit, Additional Fee	210.00	219.66	9.66	4.6%	
Permission to Defer Revocation	84.00	87.86	3.86	4.6%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	\$	\$
Permission to Defer Revocation, Plus Each Additional Hour	63.00	65.90	2.90	4.6%	↓
Permit for Change of Use, Minimum Fee	63.00	65.90	2.90	4.6%	
Permit for Change of Use	210.00	219.66	9.66	4.6%	
Permit to Revise an Issued Permit, Per Hour of Examination and Inspection Time	63.00	65.90	2.90	4.6%	↓ CPI (effective Jan. 1, 2006) ↓
Special Inspection Fee, Per Hour of Time	63.00	65.90	2.90	4.6%	
Transfer of Permit	84.00	87.86	3.86	4.6%	
Other Applicable Fees, Fees for Classes of Permits or Services Prescribed Construction	14.70	15.38	0.68	4.6%	
Other Applicable Fees, Fees for Classes of Permits or Services Prescribed Construction, Non-Prescribed Construction	63.00	65.90	2.90	4.6%	
Routine Compliance Search Fee	105.00	109.83	4.83	4.6%	
Sign Permit Fees - Roof	31.77	32.50	0.73	2.3%	
Sign Permit Fees - All other	26.49	27.10	0.61	2.3%	
Sign Permit Fees - Plan revisions	185.34	189.60	4.26	2.3%	
Sign Variance	635.47	650.09	14.62	2.3%	
Residential Unit Fee	-	40.00	N/A	N/A	400,000.00 (effective Jan. 1, 2006)
Municipal Licensing & Standards					
Fee Class 01 (Adult Attendants)	328.00	336.86	8.86	2.7%	448,200.00 (effective Jan. 1, 2006)
	215.00	220.81	5.80	2.7%	
Fee Class 01 (Adult Attendants)	262.00	269.07	7.07	2.7%	
Holistics	149.00	153.02	4.02	2.7%	
Fee Class 02 (Adult Establishment)	19,419.00	19,943.31	524.31	2.7%	
Owner/Operator	19,054.00	19,568.46	514.46	2.7%	
Body Rub owner	9,743.00	10,006.06	263.06	2.7%	
	9,561.00	9,819.15	258.15	2.7%	
Body Rub Operator	9,743.00	10,006.06	263.06	2.7%	
	9,561.00	9,819.15	258.15	2.7%	
Adult Entertainment Parlour Owner/Operator	10,240.00	10,516.48	276.48	2.7%	↓
	9,875.00	10,141.63	266.63	2.7%	
Adult Entertainment Parlour Owner	5,153.00	5,292.13	139.13	2.7%	
	4,971.00	5,105.22	134.22	2.7%	
Adult Entertainment Parlour Operator	5,153.00	5,292.13	139.13	2.7%	
	4,971.00	5,105.22	134.22	2.7%	
Accessible Owner	420.00	431.34	11.34	2.7%	
	331.00	339.94	8.94	2.7%	

2006 USER FEE ANALYSIS

USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee	2006			Incremental Revenue
		Proposed Fee	Fee Increase over 2005		
		\$	\$	\$	%
Fee Class 03 (Leisure Establishment)	338.00	347.13	9.13	2.7%	
	182.00	186.91	4.91	2.7%	
Fee Class 04 (Regulatory)	2,637.00	2,708.20	71.20	2.7%	
	2,411.00	2,476.10	65.10	2.7%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee		2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	\$		\$	\$ %	\$
Fee Class 05 (Restaurant)	396.00		406.69	10.69 2.7%	
	225.00		231.08	6.07 2.7%	
Fee Class 06 (Retailer – Foodstuffs)	298.00		306.05	8.05 2.7%	
	182.00		186.91	4.91 2.7%	
Fee Class 07 (Retailer – Other)	504.00		517.61	13.61 2.7%	
	235.00		241.35	6.34 2.7%	
Fee Class 08 (Retailer – Services)	232.00		238.26	6.26 2.7%	
Holistic Centres	115.00		118.11	3.10 2.7%	
Fee Class 08 (Retailer – Services)	298.00		306.05	8.05 2.7%	
	181.00		185.89	4.89 2.7%	
Fee Class 09 (Tradesperson)	325.00		333.78	8.77 2.7%	
	179.00		183.83	4.83 2.7%	
	324.00		332.75	8.75 2.7%	
Fee Class 10 (Vehicular Business – Driver)	223.00		229.02	6.02 2.7%	
	534.00		548.42	14.42 2.7%	
Fee Class 11 (Taxicab Driver)	267.00		274.21	7.21 2.7%	
Fee Class 12 (Vehicular Bus–Owner)	929.00		954.08	25.08 2.7%	
	607.00		623.39	16.39 2.7%	
Fee Class 13 (Standard Taxicab Owner)	3,901.00		4,006.33	105.33 2.7%	
(acquired through the sale of a taxicab)	1,011.00		1,038.30	27.30 2.7%	
	820.00		842.14	22.14 2.7%	
Fee Class 14 (Ambassador Taxicab Owner)	640.00		657.28	17.28 2.7%	
	341.00		350.21	9.21 2.7%	
Fee Class 15 (Vehicular Business - Other)	214.00		219.78	5.78 2.7%	
Fee Class 16 (Driving School Instructor/Operator with Vehicle)	400.00		410.80	10.80 2.7%	
	271.00		278.32	7.32 2.7%	
Adult Entertainment Parlours - Owner	1,852.00		1,902.00	50.00 2.7%	
Up to 6 months	1,799.00		1,847.57	48.57 2.7%	
Adult Entertainment Parlours - Operator	1,852.00		1,902.00	50.00 2.7%	
Up to 6 months	1,799.00		1,847.57	48.57 2.7%	
	426.00		437.50	11.50 2.7%	
Accessible Taxicab Owners	178.00		182.81	4.81 2.7%	
Road Allowance - Portrait Artist	300.00		308.10	8.10 2.7%	
Road Allowance - Chalk Artist/Busker	33.93		34.85	0.92 2.7%	
Road Allowance - Cleaning Boulevard	48.86		50.18	1.32 2.7%	
Road Allowance - Propane Training	30.00		30.81	0.81 2.7%	
Road Allowance - Construction permit	120.93		124.20	3.27 2.7%	
Former City Streets - (Sidewalk/Boulevard Vending) - Ice Cream & Flowers Permit	1,079.40		1,108.54	29.14 2.7%	
6 months	539.70		554.27	14.57 2.7%	
4 months	359.80		369.51	9.71 2.7%	
3 months	269.85		277.14	7.29 2.7%	
1 month	89.95		92.38	2.43 2.7%	
Former City Streets - (Sidewalk/Boulevard Vending) - Food & non-food Permit	2,158.82		2,217.11	58.29 2.7%	
6 months	1,079.41		1,108.55	29.14 2.7%	
4 months	719.61		739.04	19.43 2.7%	
3 months	539.70		554.27	14.57 2.7%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee		2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	\$		\$	\$ %	\$
1 month	179.90		184.76	4.86 2.7%	
Former Metro Roads - (Sidewalk/Boulevard Vending) - Ice Cream & Flowers Permit	1,983.57		2,037.13	53.56 2.7%	
6 months	991.78		1,018.56	26.78 2.7%	
4 months	661.19		679.04	17.85 2.7%	
3 months	495.89		509.28	13.39 2.7%	
1 month	165.30		169.76	4.46 2.7%	
Former Metro Roads - (Sidewalk/Boulevard Vending) - Food & non-food Permit	3,968.96		4,076.12	107.16 2.7%	
6 months	1,984.48		2,038.06	53.58 2.7%	
4 months	1,322.99		1,358.71	35.72 2.7%	
3 months	992.24		1,019.03	26.79 2.7%	
1 month	330.75		339.68	8.93 2.7%	
Former City Streets - (Curblane Vending) - Ice Cream & Flowers Permit	3,854.99		3,959.07	104.08 2.7%	
6 months	1,927.49		1,979.53	52.04 2.7%	
4 months	1,285.00		1,319.70	34.69 2.7%	
3 months	963.75		989.77	26.02 2.7%	
1 month	321.25		329.92	8.67 2.7%	
Former City Streets - (Curblane Vending) - Food & non-food Permit	5,242.81		5,384.37	141.56 2.7%	
6 months	2,621.41		2,692.19	70.78 2.7%	
4 months	1,747.60		1,794.79	47.19 2.7%	
3 months	1,310.70		1,346.09	35.39 2.7%	
1 month	436.90		448.70	11.80 2.7%	
Lost parking meter revenue (sidewalk/Boulevard/Café)	3,000.00		3,081.00	81.00 2.7%	
Former Metro Roads - (Curblane Vending) - Ice Cream & Flowers Permit	3,439.80		3,532.67	92.87 2.7%	
6 months	1,719.90		1,766.34	46.44 2.7%	
4 months	1,146.60		1,177.56	30.96 2.7%	
3 months	859.95		883.17	23.22 2.7%	
1 month	286.65		294.39	7.74 2.7%	
Former Metro Roads - (Curblane Vending) - Food & non-food Permit	6,879.58		7,065.33	185.75 2.7%	
6 months	3,439.79		3,532.66	92.87 2.7%	
4 months	2,293.19		2,355.11	61.92 2.7%	
3 months	1,719.89		1,766.33	46.44 2.7%	
1 month	573.30		588.78	15.48 2.7%	
Boulevard/Sidewalk Café-Area & Rate Code 1	71.40		73.33	1.93 2.7%	
Boulevard/Sidewalk Café-Area & Rate Code 1	35.68		36.64	0.96 2.7%	
Boulevard/Sidewalk Café-Area & Rate Code 1	17.87		18.35	0.48 2.7%	
Enclosure Application Fee	250.00		256.75	6.75 2.7%	
Boulevard/Sidewalk Marketing-Area & Rate Code 1	95.12		97.69	2.57 2.7%	
Boulevard/Sidewalk Marketing-Area & Rate Code 2	47.48		48.76	1.28 2.7%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description		2006			Incremental Revenue
		Proposed Fee	Fee Increase over 2005		
	2005 Fee				
	\$	\$	\$	%	\$
Boulevard/Sidewalk Marketing-Area & Rate Code 3	23.44	24.07	0.63	2.7%	↓
Full Enclosure Application Fee	250.00	256.75	6.75	2.7%	↓
Full Enclosure Annual Fee	28.23	28.99	0.76	2.7%	
Boulevard/Sidewalk Marketing - Canopy/Awning annual fee	28.23	28.99	0.76	2.7%	
Application Fee for A-Frame Sign	200.00	205.40	5.40	2.7%	
Renewal Fee for A-Frame Sign	200.00	205.40	5.40	2.7%	
Application Fee for Mobile Sign	30.00	30.81	0.81	2.7%	
Application Fee for Mobile Sign - Minimum	200.00	205.40	5.40	2.7%	
Office of the Treasurer					
Interactive Voice Response telephone payment (IVR)	1.00	1.50	0.50	50.0%	250,000.00
Internet-based Parking Ticket Payment - (new service fee)	-	1.50	1.50	N/A	300,000.00
City Clerk's Office					
Birth Registration - per registration	27.50	35.00	7.50	27.3%	142,500.00
Births - Travel Letters - per letter	25.00	35.00	10.00	40.0%	17,500.00
Theatres					
St. Lawrence Centre for the Arts					
Rentals - Jane Mallet Theatre Resident License - per day	732.00	754.00	22.00	3.0%	↓
Rentals - Jane Mallet Theatre - One-offs per day	1,360.00	1,400.00	40.00	2.9%	
Rental - Bluma Appel Theatre Resident - per week	7,626.00	7,980.00	354.00	4.6%	
Rentals - Bluma Appel Theatre Resident - One-off - per day	3,500.00	2,500.00	- 1,000.00	(28.6%)	
Toronto Centre for the Arts					
Main Stage Rentals - Daily theatre rental fee	6,671.10	8,229.90	1,558.80	23.4%	↓
Recital Hall Rentals - Daily theatre rental fee	4,973.50	5,624.40	650.90	13.1%	
Studio Theatre Rentals - Daily theatre rental fee	650.10	719.70	69.60	10.7%	
Toronto Zoo					
Zoomobile Tour	5.00	7.00	2.00	40.0%	21,000.00
Camel Ride	5.00	6.00	1.00	20.0%	1,500.00
Pony Ride Concession	4.00	5.00	1.00	25.0%	1,000.00

2006 USER FEE ANALYSIS

USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description			2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	2005 Fee				
	\$		\$	\$ %	\$
Simulator Concession	5.00		6.00	1.00 20.0%	1,750.00

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description			2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	2005 Fee				
	\$	\$	\$	%	\$
Toronto & Region Conservation Authority					
Planning Services:					
Concept Development/Property Enquiry - Application Fee	150.00	175.00	25.00	16.7%	376,000.00
Concept Development/Property Enquiry - Application Fee with one site visit	250.00	285.00	35.00	14.0%	
Variances - Application Fee	250.00	285.00	35.00	14.0%	
Consent/Severance/Land Division - minor - Application Fee	500.00	575.00	75.00	15.0%	
Consent/Severance/Land Division - major - Application Fee	1,200.00	1,380.00	180.00	15.0%	
Consent/Severance/Land Division - major - Clearance Fee	600.00	600.00	-	0.0%	
Single Residential Site Plan - minor - Application Fee	350.00	400.00	50.00	14.3%	
Single Residential Site Plan - major - Application Fee	2,000.00	2,300.00	300.00	15.0%	
Single Residential Site Plan - major - Clearance Fee	500.00	500.00	-	0.0%	
Non-Residential Site Plan - minor - Application Fee	750.00	865.00	115.00	15.3%	
Non-Residential Site Plan - major - 25ha or less - Application Fee	7,000.00	8,050.00	1,050.00	15.0%	
Non-Residential Site Plan - major - 25ha or less - Clearance Fee	1,500.00	1,725.00	225.00	15.0%	
Non-Residential Site Plan - major - greater than 25ha - Application Fee	10,000.00	11,500.00	1,500.00	15.0%	
Non-Residential Site Plan - major - greater than 25ha - Clearance Fee	1,500.00	1,725.00	225.00	15.0%	
Official Plan Amendment (OPA) - minor - Application Fee	750.00	865.00	115.00	15.3%	
Official Plan Amendment (OPA) - major - Application Fee	3,000.00	3,450.00	450.00	15.0%	
Official Plan Amendment (OPA) - major - Clearance Fee	1,500.00	1,500.00	-	0.0%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2006				Incremental Revenue
	2005 Fee	Proposed Fee	Fee Increase over 2005		
			\$	%	
	\$	\$	\$	%	\$
Zoning By-Law Amendment/Rezoning (ZBA/RZ) (see Note 1) - minor - Application Fee	700.00	865.00	165.00	23.6%	
Zoning By-Law Amendment/Rezoning (ZBA/RZ) (see Note 1) - major - Application Fee	3,000.00	3,450.00	450.00	15.0%	
Zoning By-Law Amendment/Rezoning (ZBA/RZ) - major - Clearance Fee	1,500.00	1,725.00	225.00	15.0%	
Subdivision or Multi-Unit Application - minor - 5ha or less - Application Fee	7,500.00	8,650.00	1,150.00	15.3%	
Subdivision or Multi-Unit Application - minor - Clearance Fee	2,500.00	2,875.00	375.00	15.0%	
Subdivision or Multi-Unit Application - major - 25ha or less - Application Fee	15,000.00	17,250.00	2,250.00	15.0%	
Subdivision or Multi-Unit Application - major - 25ha or less - Clearance Fee	5,500.00	6,325.00	825.00	15.0%	
Subdivision or Multi-Unit Application - major - greater than 25ha - Application Fee	20,000.00	23,000.00	3,000.00	15.0%	
Subdivision or Multi-Unit Application - major - greater than 25ha - Clearance Fee	5,500.00	6,325.00	825.00	15.0%	
Golf courses or Aggregate pits, Block and Tertiary Plans, MESP Review - 25ha or less - Application Fee	5,000.00	5,750.00	750.00	15.0%	
Golf courses or Aggregate pits, Block and Tertiary Plans, MESP Review - greater than 25ha - Application Fee	10,000.00	11,500.00	1,500.00	15.0%	
Additional Site Visit Charges - up to 1/2 day	200.00	500.00	300.00	150.0%	
Additional Site Visit Charges - up to 1 day	200.00	1,000.00	800.00	400.0%	
Additional Clearance Fee for Subdivision Phases	1,000.00	1,150.00	150.00	15.0%	
Applicant Driven Formal Modification	500.00	500.00	-	0.0%	
Resubmission due to incomplete submissions	2,500.00	2,500.00	-	0.0%	
Regulation Services:					
Ontario Regulation 158 Permit Applications:					
Works on Personal Residential Property - minor	250.00	285.00	35.00	14.0%	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description	2005 Fee		2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	\$		\$	\$ %	\$
Works on Personal Residential Property - major	500.00		575.00	75.00 15.0%	↓
Municipal Projects: Regional/Local; No EA required	750.00		865.00	115.00 15.3%	
Municipal Projects: Emergency Works	1,500.00		2,800.00	1,300.00 86.7%	
Utilities: Single Residential	2,000.00		1,000.00	- 1,000.00 (50.0%)	
Utilities: Development Project Based	2,000.00		2,300.00	300.00 15.0%	
Projects on Subdivision Lands, Commercial, Industrial and Institutional Properties, Resource-based Recreation and Other Projects - Standard	2,800.00		3,220.00	420.00 15.0%	
Projects on Subdivision Lands, Commercial, Industrial and Institutional Properties, Resource-based Recreation and Other Projects - Major	2,800.00		5,000.00	2,200.00 78.6%	
Industrial and Institutional Properties, Resource-based Recreation and Other Projects - Minor Improvements	1,500.00		1,725.00	225.00 15.0%	
Permit Revisions: Residential minor/major	25% of current fee		25% of current fee	0.0%	
Permit Revisions: Other	25% of current fee		50% of current fee	25.0%	
Permit Renewals	25% of current fee (minimum		50% of current fee	25.0%	
No permit required/regulatory and fisheries review & advice only	N/A		500.00	500.00 N/A	
Ontario Regulation 158 Property Information:					
Solicitor/Realtor/Property Inquiry	150.00		200.00	50.00 33.3%	
Municipal Building Permit Services - Property Clearances (not regulated)	200.00		230.00	30.00 15.0%	
Environmental Assessment Review:					
Municipal Environmental Assessment Projects (Regional/Local):					
Permit Application Review - per regulated area	N/A		2,000.00	2,000.00 N/A	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description			2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	2005 Fee				
	\$	\$	\$	%	\$
Other Agency Environmental Assessment Projects Review:					↓
EA Review - EA Schedule:					
A (minor review)	N/A	500.00	500.00	N/A	
B (medium review)	N/A	1,000.00	1,000.00	N/A	
C (major review)	N/A	2,500.00	2,500.00	N/A	
Individual EA	N/A	min \$5,000.00 (TBD through negotiation)			
Detailed Design Review - per project area	N/A	1,500.00	1,500.00	N/A	
EA Property Inquiry	N/A	175.00	175.00	N/A	
No permit required/regulatory & fisheries review and advice only	N/A	500.00	500.00	N/A	
Private Environmental Assessment Projects Review:					
EA Review - EA Schedule:					
A (minor review)	N/A	500.00	500.00	N/A	
B (medium review)	N/A	1,000.00	1,000.00	N/A	
C (major review)	N/A	2,500.00	2,500.00	N/A	
Individual EA	N/A	5,000.00	5,000.00	N/A	
Permit Application Review - per regulated area	N/A	3,220.00	3,220.00	N/A	
Permit Application Review - per regulated area for major road crossings/natural channel modifications	N/A	5,000.00	5,000.00	N/A	
Additional Site Visits - up to 1/2 day	N/A	500.00	500.00	N/A	
Additional Site Visits - up to 1 day	N/A	1,000.00	1,000.00	N/A	

2006 USER FEE ANALYSIS
USER FEE CHANGE - BAC PROPOSED RATE INCREASE IN 2006

User Fee Description			2006		Incremental Revenue
			Proposed Fee	Fee Increase over 2005	
	2005 Fee		\$	\$ %	\$
Toronto Transit Commission					
TTC fares - Effective April 1, 2006					11,000,000.00
Adult Fare					
Ticket/Token	\$2.00	\$2.10	\$0.10		
5 for \$10.00		5 for \$10.50	\$0.50		
10 for \$20.00		10 for \$21.00	\$1.00		
Cash	\$2.50	\$2.75	\$0.25		
Weekly Pass	\$30.00	\$30.00	\$0.00		
Metropass (monthly)	\$98.75	\$99.75	\$1.00		
Metropass Discount Plan (12 mo. Metropass)	\$90.50	\$91.50	\$1.00		
Seniors/Students					
Ticket	\$1.325	\$1.40	\$0.075		
5 for \$6.65		5 for \$7.00	\$0.35		
10 for \$13.25		10 for \$14.00	\$0.75		
Cash	\$1.70	\$1.85	\$0.15		
Weekly Pass	\$23.75	\$23.75	\$0.00		
Metropass (monthly)	\$83.25	\$83.75	\$0.50		
Metropass Discount Plan (12 month Metropass)	\$76.25	\$76.75	\$0.50		
Child					
Ticket	\$0.45	\$0.47	\$0.02		
10 for \$4.50		10 for \$4.70	0.20		
Cash	\$0.60	\$0.70	\$0.10		
Day Pass	\$8.00	\$8.50	\$0.50		
TOTAL					21,277,325

* 2005 Fee does not include the \$299,519.00 that was included by Finance

No.	Appendix 6(A) (Operating Budget) Reports Recommended for Adoption by the Budget Advisory Committee
	Citizen Centred Services – A
	Culture
(1)	(January 23, 2006) from the General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer, entitled “Harbourfront Parklands – Establishment of a Reserve Fund Account for Programming at Toronto Music Garden (Ward 20 Trinity-Spadina)”
	Shelter, Support and Housing Administration
(2)	(January 12, 2006) from the Community Services Committee, entitled “Villa Otthon – Withdrawal of Funds from the Social Housing Federal Reserve Fund and Approval of a Second Mortgage (Ward 35 – Scarborough Southwest)”
(3)	(November 8, 2006) from the Community Services Committee, entitled “110 Edward Street: Extension of Emergency Shelter and Referral Centre Programs (Ward 27 – Toronto Centre-Rosedale)”
	Social Development, Finance and Administration
(4)	(January 12, 2006) from the Community Services Committee, entitled “ ‘YouthAction’ – Youth Safety Project”.
	Citizen Centred Services – B
	City Planning
(5)	(November 30, 2005) from the Planning and Transportation Committee and the Works Committee, entitled “Proposed 2006 Development Application Process Fee Increases”
(6)	(February 13, 2006) from the Chief Planner and Executive Director, City Planning Division, entitled “Specifics of the Initial ‘Lights Out Toronto’ Campaign to Raise Awareness of the Spring and Fall Migratory Bird Seasons”
	Solid Waste Management Services
(7)	(February 1, 2006) from the Deputy City Manager and the Deputy City Manager and Chief Financial Officer, entitled “Adequacy of Solid Waste Management Perpetual Care Reserve Fund”
	Internal Services
	Other City Programs
	City Clerk’s Office
(8)	(December 14, 2006) from the Administration Committee, entitled “Establishing New Committees and Advisory Bodies – Resource Impact and Compliance with Section 108 of Council’s Procedure By-law”
(9)	(January 11, 2006) from the Administration Committee, entitled “Status Report on Maintaining Services at East York Civic Centre”

	Legal Services
(10)	(November 9, 2005) from the Administration Committee recommending adoption of the following reports: (i) (October 31, 2005) from the Treasurer and City Solicitor, entitled “2006 Operating Budget Requests – Additional Staff Resources to Manage Assessment and Taxation Issues” and (ii) (November 2, 2005) from the City Solicitor, entitled “ 2006 Operating Budget Request - Converting Two Litigation Solicitors Positions from Temporary to Permanent”
	Special Purpose Bodies
(11)	Toronto Public Health
	(January 20, 2006) from the Board of Health recommending adoption of the report (January 4, 2006) from the Medical Officer of Health, entitled “Public Health Agency of Canada Funding for “A Skills Building Workshop: The Impact of Crack Smoking and Crystal Methamphetamine Use on Hepatitis C Transmission of Drug Users in Ontario”
	Community Partnership Investment Program
(12)	(January 17, 2006) from the Economic Development and Parks Committee, entitled “Harbourfront Centre – Renewal of Operating Grant (Ward 20 Trinity-Spadina)”
	Corporate Accounts
	Capital and Corporate Financing/Non-Program
(13)	(January 9, 2006) from the Administration Committee, entitled “Revisions to Tax Sale Process Resulting from Brownfields Legislation (All Wards)”
(14)	(February 7, 2006) from the Deputy City Manager and Chief Financial Officer, entitled “2006 Annual Sinking Fund Levy and Activity During 2005”

(Report dated January 23, 2006, addressed to the Budget Advisory Committee from the General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer, entitled “Harbourfront Parklands
- Establishment of a Reserve Fund Account for Programming
at Toronto Music Garden (Ward 20 Trinity-Spadina)”)

Purpose:

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.

Financial Implications and Impact Statement:

Funds in the amount of \$600,000.00 will be drawn from the net accumulated interest from the Harbourfront Parklands Reserve Fund (XR3200) to establish a separate reserve fund account to act as an endowment for programming at the Toronto Music Garden. The intention is that the only draws from this new reserve fund account will be the annual interest earnings to be used to support Toronto Music Garden programming. The interest on this new reserve fund account will be drawn in the Spring of each year, starting in 2007 to contribute \$25,000.00 for Toronto Music Garden programming.

The cycle of payments to Harbourfront for Toronto Music Garden program will change for the 2007 year, with an advance payment of \$25,000.00 for program planning, proposed in the Culture 2006 Operating Budget, funded by \$12,500.00 of charitable donations and \$12,500.00 of City funds. The \$25,000.00 from interest on the new reserve fund account will be paid the following Spring to complete the \$50,000.00 annual funding.

As well, the Parks Forestry and Recreation 2006 Operating Budget must include a provision of \$50,000.00 gross, \$0 net drawn from the Harbourfront Parklands Reserve Fund (XR3200) to provide 2006 funding until interest can be generated from the new reserve fund.

With adoption of the recommendations in this report, the City will have drawn a total of \$900,000.00 from the net accumulated interest in the Harbourfront Parklands Reserve Fund (XR3200) since 2001.

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, 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; and

- (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.

Background:

The City of Toronto became the owner of more than 40 acres of parkland in the area designated as “Harbourfront” pursuant to a unique arrangement contained in the Harbourfront Implementation Agreement (HIA), between the Government of Canada, Harbourfront Corporation, and the City of Toronto, as signed October 6, 1992. Under financial provisions contained in the HIA, the funds were to be used in the area defined as “Harbourfront,” and for purposes set out in the HIA, namely, capital work to design and construct the Harbourfront Parklands.

At its meeting of October 3, 4 and 5, 2000, and its Special Meetings held on October 6, 2000, and October 10 and 11, 2000 and October 12, 2000 City Council approved the establishment of the “Harbourfront Parklands Reserve Fund,” to receive and hold funds received for Harbourfront parkland development, water’s edge promenade and programming on Harbourfront parkland, under the HIA. Since 2001, \$50,000.00 annually has been drawn from the interest accruing on these funds to support special programming at the Toronto Music Garden (\$300,000.00 in total to date). However, 2006 will be the last year for this arrangement as this practice does not offer long-term stability for the garden programming, and does not make a sufficiently clear distinction between interest, and the funds themselves which are restricted to parkland design and construction use.

Comments:

The spectacular Toronto Music Garden in Harbourfront has been one of Toronto’s most notable public space successes. The \$2,500,000.00 garden was made possible, in large part, through philanthropic donations in the amount of \$1,300,000.00. From its inception, the intent was to offer high calibre and distinctive cultural programming at this park associated with cellist Yo-Yo Ma. The efforts of the Harbourfront Liaison Committee, made up of the key Music Garden philanthropist, Harbourfront Centre and City staff, have resulted in a highly celebrated programming series at the garden.

There is a need to ensure long-term financial stability for the programming at the Toronto Music Garden. It is being recommended that part of the solution to this problem is to create a reserve fund account which functions as if it were an endowment. Based on the 2005 season at the Toronto Music Garden, the cost to run the programming was \$50,000.00 plus in-kind contributions from Harbourfront Centre. The expectation is that the proposed ‘endowment’ of \$600,000.00 will generate approximately \$25,000.00 annually (at four percent interest) and the remainder of the necessary funds will be provided from the Culture Operating Budget through a combination of charitable donations and an operating budget allocation. Given that the creation

of the Toronto Music Garden was made possible through an external fundraising partnership, it is believed that these provisions will provide a stable source of funding for programming within this signature park and is an innovative way to secure money for new parks to offset the operating impacts.

In 2006 the City's commitment to the Toronto Music Garden will be met through the \$50,000.00 recommended to be transferred from the Harbourfront Parklands Reserve Fund as in previous years. For 2007 and future years, the \$50,000.00 annual commitment will be met by a combination of \$25,000.00 of interest earnings on the 'endowment fund,' \$12,500.00 of charitable donations and a \$12,500.00 contribution from the Culture Operating Budget. The cycle of payments will also change, for the 2007 programming. \$25,000.00 from donations and Culture Operating Budget will be provided in prior year, starting in the fall of 2006, to support program planning on a timely basis. The balance of funding will be provided in the spring of the year from the interest earnings from the new 'Endowment for Programming at Toronto Music Garden' reserve fund to the Parks, Forestry and Recreation Operating Budget.

The Harbourfront Implementation Agreement outlines that funds are to be used for parks capital projects - design and construction of parkland. However, the intent of the endowment is not to use the HIA funds towards the Music Garden programming - rather that the funds coming from earned interest would be used. While the matter is not expressly dealt with in the Agreement, staff feel that a reasonable interpretation of the Agreement would permit the use of earned interest for the purposes intended, in the absence of limiting language.

To ensure a continuous stream of interest from the City, this report recommends that the Endowment for Programming at the Toronto Music Garden account be established within the Corporate Discretionary Reserve Fund with the criteria set out in Appendix A, and that \$600,000.00 be transferred from the net accumulated interest in the Harbourfront Parklands Reserve Fund (XR3200) to the Endowment for Programming at the Toronto Music Garden account. As an 'endowment,' the \$600,000.00 principal amount must remain intact, but the investment income will be made available for the purpose of programming at the Toronto Music Garden. The original Harbourfront Implementation Agreement funds may not legally be used for any purpose other than in accordance with the Harbourfront Implementation Agreement, that is, the design and construction of parkland. Thus, the City should advise the Government of Canada, through the Queens Quay West Land Corporation, of the establishment of this reserve fund account and the terms and conditions under which it has been established.

A review of this reserve fund account will take place every three years to ensure a suitable level of funds, and the appropriateness of the account. It is the hope of the Harbourfront Liaison Committee that this fund will serve as a catalyst for further donations to the Toronto Music Garden.

Conclusion:

Donations from the philanthropic community made it possible to establish The Toronto Music Garden, a treasured urban oasis. To ensure that this remarkable garden will prosper, there is a need for ongoing programming funds. This report addresses the request to transfer \$600,000.00 from the net accumulated interest in the Harbourfront Parklands Reserve Fund to establish a separate reserve fund account called the "Endowment for Programming at the

Toronto Music Garden". Investment income from this new reserve fund, as well as donations and the Culture Operating Budget will be used to ensure long-term viability of programming at the Toronto Music Garden. As well, this report requests that \$50,000.00 gross, \$0 net be included in the 2006 Parks, Forestry and Recreation Operating Budget to provide for support for 2006 Toronto Music Garden programming.

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Attachment: Appendix A - Endowment for Programming at Toronto Music Garden

Appendix A
Endowment for Programming at Toronto Music Garden

(a) Statement of Purpose:

The purpose is to use the annual interest to provide annual funding to support programming at the Toronto Music Garden.

(b) Designation of the Beneficiary Program:

The General Manager of Parks, Forestry and Recreation shall have primary responsibility.

(c) Rationale for the Appropriate Level to be Maintained in the Reserve Fund:

The intent is to generate \$25,000.00 in interest annually.

(d) Initial Contribution:

\$600,000.00 will be contributed to this reserve fund account from the net accumulated interest in the Harbourfront Parkland Reserve Fund (XR3200).

(e) Contribution Policy:

There will be no need for additional contributions unless there is either a major reduction in interest rates or a requirement to provide more than \$25,000.00 annually.

(f) Withdrawal Policy:

Funds will be withdrawn annually in accordance with the approval of the Parks, Forestry and Recreation Operating Budget and in no circumstances will diminish the original contribution of \$600,000.00.

(g) Review Cycle:

A review will occur every three years to ensure a suitable level of funding and the continued appropriateness of the reserve fund account.

(Communication dated January 12, 2006, addressed to the
Budget Advisory Committee from the Community Services Committee
Entitled “Villa Otthon – Withdrawal of Funds from the Social
Housing Federal Reserve Fund and Approval of a Second Mortgage
(Ward 35 – Scarborough Southwest)”)

Recommendation:

The Community Services Committee on January 12, 2006, recommended to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (December 19, 2005) from the General Manager, Shelter, Support and Housing Administration respecting Villa Otthon-Withdrawal of Funds from the Social Housing Federal Reserve Fund and Approval of a Second Mortgage (Ward 35 Scarborough Southwest).

(Report dated December 19, 2005, addressed to the
Community Services Committee from the
General Manager, Shelter, Support and Housing Administration)

Purpose:

To provide approval to the General Manager, Shelter, Support and Housing Administration to:
(a) withdraw up to \$1,572,000.00 from the Social Housing Federal Reserve Fund and lend these funds to Villa Otthon for required capital repairs at 568 Birchmount Road; (b) negotiate the terms of a loan agreement and collateral security, including a second mortgage and a general assignment of rents; (c) provide consent to Villa Otthon for the second mortgage to secure such loan as required under the Operating Agreement with the City of Toronto pursuant to the *Social Housing Reform Act, 2000* (“SHRA”); and (d) apply for the written consent of the Minister of Municipal Affairs and Housing prior to providing the foregoing consent under the Operating Agreement.

Financial Implications and Impact Statement:

Approval of this report would commit a loan of up to \$1,572,000.00 from the City of Toronto. The loan will be non-interest bearing and not repayable until the earlier of the date:

- (i) that the first mortgage on the Property held by CMHC is due to mature in 2015; or
- (ii) such mortgage is redeemed.

Thereafter, the loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize the loan over a period of 15 years, subject to the right of Villa Otthon to pre-pay the loan at any time without interest or penalty. The interest rate and repayment schedule will be renegotiable, subject to further Council approval.

Funding for the loan would come from the obligatory Social Housing Federal Reserve Fund which was established for the purpose of mitigating the financial exposure associated with the devolution of social housing and is to be targeted to projects in formerly federally funded social housing programs. The projected balance of the fund as of December 31, 2005, is \$27.36 million.

An adjustment is to be made to the 2006 budget for Shelter, Support and Housing Administration to accommodate this withdrawal. In accordance with the requirements of paragraph 227-4 of Chapter 227 [Reserves and Reserve Funds] of the City of Toronto Municipal Code, the Deputy City Manager and Chief Financial Officer has determined that the use of the Social Housing Federal Reserve Fund is an appropriate funding source for the loan.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) authority be given to the General Manager, Shelter, Support and Housing Administration, (the "General Manager") to:
 - (a) withdraw from the Social Housing Federal Reserve Fund amounts required for capital repairs at 568 Birchmount Road (the "Property"), an amount not to exceed \$1,572,000.00, and lend these funds to Villa Otthon;
 - (b) negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a second mortgage and a general assignment of rents on the Property, subject to the following terms and conditions:

- (i) the loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage on the Property held by CMHC is due to mature in 2015, or (2) such mortgage is redeemed;
 - (ii) starting on the Commencement Date the loan will bear interest at a rate equal to the prime lending rate charged by the City’s leading banker plus one percent and be subject to a repayment schedule that would amortize the loan over a period of 15 years, subject to the right of Villa Otthon to pre-pay the loan at any time without interest or penalty;
 - (iii) the interest rate and repayment schedule will be renegotiable, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor;
- (c) consent, on behalf of the City of Toronto to Villa Otthon mortgaging, charging or encumbering the Property in connection with the second mortgage, as required under the Operating Agreement being administered by the City of Toronto as Service Manager pursuant to the *Social Housing Reform Act, 2000* (the “SHRA”); and
- (d) apply for the consent of the Minister of Municipal Affairs and Housing (the “Minister”) required under a Transfer Order made pursuant to the provisions of the SHRA;
- (2) the loan of up to \$1,572,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;
- (3) the 2006 budget for Shelter, Support and Housing Administration, be increased by \$1,572,000.00 gross and \$0 net and be funded by a withdrawal from the Social Housing Federal Reserve Fund to provide a loan to Villa Otthon for required capital expenditures at 568 Birchmount Road;
- (4) the Province be requested to reimburse the City of Toronto for the \$1,572,000.00 needed for capital repairs at 568 Birchmount Road and to reimburse Villa Otthon for \$184,000.00 in additional capital repair costs incurred after the July 1, 2002, transfer to the City;
- (5) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Villa Otthon has been operating since 1980 providing mixed-income community based non-profit housing at 568 Birchmount Road, near the intersection of St. Clair Avenue East and Birchmount Road. The building comprises 59 units for families; 22 of which are in receipt of a subsidy. Tenants in subsidized units pay rent geared-to-income (RGI) while the remainder pay a lower end of market rent. The subsidy paid to Villa Otthon by the City is about \$32,000.00 annually.

The building at 568 Birchmount Road was originally built in the 1950's as rental housing. It was acquired, rehabilitated and turned into mixed-income non-profit housing in 1980 through a former federal non-profit housing program. A reduced interest rate on a 35 year renewable mortgage with a monthly subsidy was originally provided by Canada Mortgage and Housing Corporation ("CMHC") pursuant to a federal program under Section 56.1 (now Section 95) of the *National Housing Act* (the "NHA"). The Operating Agreement between Villa Otthon and CMHC is secured by a first mortgage of the Property in favour of CMHC. This agreement was assigned to the City through the social housing download and SHRA. The Villa Otthon project was transferred to the City on July 1, 2002.

Villa Otthon also owns and operates another non-profit housing project located at 4049 Dundas Street West. Unlike the project on Birchmount Road, the Dundas Street West project is subject to the operating framework of the *Social Housing Reform Act, 2000* (SHRA).

The Social Housing Federal Reserve Fund was established by Council at its meeting of May 21, 22 and 23, 2003, as an obligatory reserve fund of the City of Toronto for the purpose of mitigating the financial exposure associated with the devolution of social housing and is to be targeted to projects in formerly federally funded programs, consistent with the 1999 Canada-Ontario "Social Housing Agreement". One of the purposes of the reserve fund is to supplement funds for capital repairs, in regard to urgent needs. The Villa Otthon project was formerly administered by CMHC under a federal program and was transferred to the Province through the 1999 Social Housing Agreement.

Comments:

Council has been advised on several occasions about the capital repair liability being transferred to the City from other orders of government. In the case of Villa Otthon, serious deficiencies with the exterior brick walls were identified by CMHC in August 2000 before the project was downloaded to the provincial government in 2001. The Ministry of Municipal Affairs and Housing ("MMAH") worked with the provider throughout 2001 and conducted investigative studies of spalling brick. The project was held back from the May 2002 transfer to the City due to the issues with the brick.

MMAH entered into an \$840,000.00 Special Advance Agreement with Villa Otthon before the project was transferred to the City in July 2002. The Special Advance Agreement has no repayment provisions. City staff worked with the housing provider and engineering consultants on the brick repairs throughout 2003 and into 2004. During the course of the repairs, additional problems were encountered that had to be addressed including water penetration to the upper floors. Although the MMAH Special Advance was intended to cover all costs associated with

the brick repair, an additional \$184,000.00 was required and was paid for by Villa Otthon out of its own capital reserve fund.

City staff conducted a site inspection and a review of the provider's operations in mid-2005 as part of its normal course of business. The site inspection indicated that the domestic heating and hot water system had passed its normal life expectancy. Technical specialists have since advised that these systems could fail at any time. Further deficiencies have been identified including windows and doors that have exhibited a substantial amount of damage due to air infiltration and surface condensation. Replacing windows and doors with better, energy efficient units will greatly reduce future energy use and gas consumption. The recommended scope of work also includes a lighting retrofit and new heating controls.

Capital repair requirements are normally funded by a housing provider through a capital reserve fund that has been built up by annual allocations from operations. Villa Otthon has experienced recurring problems with the building envelope that have effectively depleted its capital reserve fund. Despite available funds from Villa Otthon's Dundas Street West project, the SHRA restricts the transfer of funds between projects subject to different operating frameworks. The housing provider currently does not have the financial ability to solve its urgent capital repair needs. It is therefore recommended that the repairs be funded by the City from the Social Housing Federal Reserve Fund. One of the key purposes of this Fund is to provide funding for capital repairs. The following table shows an estimated cost of the needed repairs:

Repair/Replacement Needed	Estimated Cost (\$)
Hot Water Heating System	545,000.00
Domestic Hot Water	150,000.00
Heating controls	16,500.00
Window/Door Repairs and Replacement	500,000.00
Lighting and showerhead retrofit	10,500.00
Professional fees (10 percent rounded)	<u>122,000.00</u>
Sub-Total	1,344,000.00
GST (7 percent rounded)	<u>94,000.00</u>
Contingency (10 percent rounded)	134,000.00
Total	1,572,000.00

The above chart shows the full GST costs despite the fact that Villa Otthon may qualify for a GST rebate. City staff have also recommended that a 10 percent contingency be built in to address potential cost overruns. Funding will only be advanced as milestones are achieved and unused funds will be returned to the City as per the terms of the loan agreement. Work will begin as soon as the necessary approvals are obtained.

City staff are recommending that the principal and interest loan repayment be deferred until the first mortgage has matured in 2015. Deferring repayment ensures that Villa Otthon continues to provide affordable housing at the lower end of market rent according to the terms of its operating agreement with the City.

In order to secure its interest, Council approval is also required to negotiate the terms of a loan agreement and collateral security, including a second mortgage and to register the second mortgage on title to the Property. The proposed second mortgage also requires the consent of the

Minister pursuant to restrictions contained in the Transfer Order that transferred the administration of the federal section 95 *NHA* housing program from the Province to the City. The City will submit a request to the Minister, for approval of the proposed second mortgage.

Provincial Commitments:

At its meeting of October 3, 4 and 5, 2000, Council was advised that “The Province appears to be refusing to consider or take responsibility for a due diligence process on the condition and capital repair requirements of the public housing stock and the non-profit and co-operative housing portfolio”. Similar statements about the financial risks associated with the capital repair liability being downloaded to the municipality were the subject of the Social Housing Business Transfer Plan approved by Council in May 2001 and reiterated in October 2001.

In 2000, CMHC identified a serious spalling brick issue which was further investigated by the province. MMAH provided Villa Otthon with \$840,000.00 to address the identified issue. Although most projects were transferred to the City’s jurisdiction in May 2002, this project was transferred late, in July 2002, even though the brick issue that had delayed its transfer had not been fully addressed. City staff worked with the housing provider to address the issue. In the end, MMAH did not provide sufficient funding and Villa Otthon paid an additional \$184,000.00 out of the capital reserve fund to resolve the brick related issues and, in the process, depleted it. Villa Otthon now has a heating and hot water system which could fail at any time and windows and doors in need of replacement.

The Province should be requested to reimburse the City for \$1,756,000.00 which includes the \$184,000.00 that Villa Otthon paid out of its own capital reserve fund to resolve the issues related to the spalling brick plus the \$1,572,000.00 currently being requested.

Conclusions:

Council approval is required to withdraw \$1,572,000.00 from the Social Housing Federal Reserve Fund to conduct urgently needed capital replacements and repairs at the building at 568 Birchmount Road owned by Villa Otthon; a non-profit social housing provider. The 2006 budget for Shelter, Support and Housing Administration will need to be increased by \$1,572,000.00 gross and \$0 net.

It is recommended that the Province be requested to reimburse the City for the full cost of the replacement of the domestic heating, hot water systems, window and door replacement at 568 Birchmount Road plus the additional costs incurred in 2003 and 2004 due to spalling brick.

The City will negotiate a loan agreement with Villa Otthon, subject to the approval of the City Solicitor. City Council and Ministerial approval of the second mortgage for Villa Otthon is required pursuant to restrictions contained in the Transfer Order. It is in the interests of the City to approve the second mortgage, as it will allow Villa Otthon to address the urgently needed replacement of the heating system and ensure the continued health and safety of the tenants. The City should consent to the mortgaging of the Property and submit a request to the Minister of Municipal Affairs and Housing to seek approval.

Work will begin as soon as necessary approvals are obtained.

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(Communication dated November 8, 2005, addressed to the
Budget Advisory Committee from the Community Services Committee
entitled “110 Edward Street: Extension of Emergency Shelter
and Referral Centre Programs (Ward 27 Toronto Centre-Rosedale)”)

Recommendation:

The Community Services Committee on November 8, 2005, recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (November 3, 2005) from the General Manager, Shelter, Support and Housing Administration, respecting 110 Edward Street: Extension of Emergency Shelter and Referral Centre Programs.

(Report dated November 3, 2005, addressed to the
Community Services Committee from the
General Manager, Shelter, Support and Housing Administration)

Purpose:

This report provides an update on the 110 Edward Street shelter and assessment and referral centre and recommends the continued operation of the program.

Financial Implications and Impact Statement:

The shelter and referral program at 110 Edward Street is approved to operate until April 30, 2006. Funding for this program was approved at the February 1, 2, and 3, 2005, and May 17, 18 and 19, 2005, Council meetings. Currently, the City is leasing the premises on a month-to-month basis at a cost of \$20,000.00 a month.

Council at its October 26, 27, 28 and 31, 2005, meeting approved the purchase of the property at 110 Edward Street for the purposes of developing affordable and supportive housing. Given Council's decision to purchase the property, the 110 Edward program would continue to operate as a shelter and assessment and referral centre until the redevelopment of the site occurs, which is expected in 2007. Prior to the redevelopment of the site, the City would assume all operating costs for the entire existing facility. It is yet to be determined whether this would result in a net savings or not, as operating costs such as insurance, utilities, repairs and security have not been established for the site. A further report will provide details and financial implications.

The projected average monthly cost to operate the 110 Edward program in 2006 is \$289,708.00 gross (\$139,630.00 net). Continuing to operate the site from January through April 2006, will cost \$1,226,387.00 (\$110,200.00 net) and is funded as follows: \$772,700.00 from Mayor's Homelessness Reserve Fund; \$343,487.00 in provincial per diem subsidy; and remaining funding from the proposed 2006 Interim Operating Estimates (and included in the 2005 Approved Base Budget) for Redirection of Emergency Hostel funding of \$110,200.00.

If the program is extended for the remaining eight months of 2006, the projected cost to operate for the additional eight months is \$2,250,200.00 gross (\$1,565,300.00 net). The funding source for this extension is \$596,943.00 in provincial per diem subsidy and the remainder of funding for the extension of the program from May 2006 to December 31, 2006, is included in the 2006 Shelter, Support and Housing Administration Operating Budget submission and is subject to the 2006 Operating Budget Process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program beyond April 30, 2006, subject to the approval of the 2006 Shelter, Support and Housing Administration Operating Budget;
- (2) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program once the sale of the property is complete, subject to the approval of the 2006 Shelter, Support and Housing Administration Operating Budget;
- (3) the General Manager, Shelter Support and Housing Administration, report to Community Services Committee and Budget Advisory Committee prior to the redevelopment of the site to detail the on-going financial cost implications;
- (4) this report be directed to the Budget Advisory Committee for review and consideration; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of May 17, 18 and 19, 2005 City Council approved the following motion:

- “(1) the General Manager, Shelter, Support and Housing Administration, be directed to continue to operate 110 Edward Street on a month-to-month basis until April 30, 2006, as an emergency shelter and referral program, subject to the terms of the month-to-month agreement between the owners of 110 Edward Street and the City of Toronto, and the Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee, prior to the end of 2005, on the source of 2006 funding;”.

This report responds to that recommendation.

Comments:

The Shelter, Support and Housing Administration Division opened a Referral and Assessment Centre at 110 Edward Street on December 16, 2004. The Assessment and Referral Centre operates from 8:00 p.m. to 8:00 a.m. An 80-bed co-ed and couples adult emergency shelter is co-located on the same site and opened on December 22, 2004.

The shelter and centre were opened for two primary reasons. The first was to provide for additional space in the mixed adult shelter sector as occupancy was at 97 percent. The second reason was in response to an identified need for a specialized shelter program that was designed specifically to work with homeless people who do not traditionally access the shelter system.

The specialized programs developed at 110 Edward Street have become an important component in supporting the Streets to Homes strategy. Outreach teams are able to make immediate referrals to the program for additional care and support anytime, day or night. Staff from 110 Edward Street, the Streets to Homes team, non-profit agencies and community health care providers have been working closely to collaborate on comprehensive case management strategies, and on-going program review to ensure that the services are as flexible and effective as possible in meeting the needs of homeless people who face the greatest barriers in accessing the regular shelter system and/or housing.

The services available at 110 Edward Street include food and lodging, counselling, referrals, health and mental health supports, addiction and harm reduction services, an overnight street respite program and specialized housing support.

(1) Assessment and Referral Centre:

Between December 16, 2004 and November 2, 2005, the Assessment and Referral Centre has served 2170 different people. 44 percent of these individuals have accessed the Referral Centre directly from the street, including Nathan Phillips Square. 546 people were admitted to other shelters and 535 of these people were admitted to the 110 Edward Street shelter program.

The program is intended to facilitate and support the work that the street outreach workers are doing. The Assessment and Referral Centre provides an accessible place where staff can encourage people to come inside. Starting in November 2005 the Assessment and Referral Centre will be opening from 4:00 p.m. to 8:00 a.m. The hours of operation are being extended so that the program can more effectively coordinate with the street outreach staff, the outreach vans and drop-ins to provide a place where people can go when day programs close. The extended hours of operations are included in the 2006 budget submission.

(2) 110 Edward Street Shelter:

The shelter at 110 Edward Street has been operating on average at 92 percent occupancy since opening in December. As of November 2, 2005, 899 different people have used the shelter, 559 of whom have come from the streets, including Nathan Phillips Square.

As noted above both the shelter and the assessment and referral centre play an important role in supporting the Street to Homes strategy. The programs are designed for clients who have very serious substance use and mental health issues and struggle with behaviours which cannot be accommodated in many of the regular shelters.

(3) Street to Homes:

The Assessment and Referral Centre and the shelter at 110 Edward Street have been important components of the Streets to Homes Initiative. Individuals that would never, or are reluctant to use traditional shelters have found the programs at 110 Edward to be welcoming and supportive of their needs. This is reflected in the high volume of program users.

One of the strengths of the 110 Edward Street program is its proximity to Nathan Phillips Square. Twice a day, seven days a week, Streets to Homes conducts street outreach work on the Square. Outreach workers report a real willingness from people who would otherwise be sleeping on the Square to utilize 110 Edward Street as a result of its program model and proximity.

In September 2004, well before 110 Edward Street opened, an average of 75 people slept on Nathan Phillips Square nightly. Street outreach workers have the opportunity at 110 Edward Street to help them accept the vast array of services offered there. As a result of intensive street outreach and the location of 110 Edward Street an average of 10 people slept on Nathan Phillips Square nightly in September 2005.

(4) Housing Help Services on Site:

As of the end of October 2005, staff from the Fred Victor Centre Housing Access Support Services program together with the counselling staff from 110 Edward Street, have provided housing support services to 235 different people. 100 of these people moved into housing and another 10 have secured housing for the end of November. This program has worked with 135 clients to complete applications for social housing.

All of the people who have moved into housing have been homeless and/or living on the streets and in erratic living circumstances for a number of years. The specialized housing support team provides on-going follow-up support for the clients who are housed through this program. The purpose of the on-going follow-up support is to assist people who have been homeless to maintain their housing.

(5) Extension of Shelter and Referral Programs at 110 Edward Street - Lease Requirements:

The property is currently owned by the Rotary-Laughlen Centre which was the operator of the decommissioned long-term care facility at this location. The shelter and assessment and referral programs are both scheduled to close on April 30, 2006. At the February 1, 2 and 3, 2005, Council meeting City staff were directed to examine options for developing the 110 Edward Street site for affordable housing.

Council at its October 26, 27, 28 and 31 meeting approved the purchase of the property at 110 Edward Street for the purposes of developing affordable and supportive housing. With the purchase of the property and until the redevelopment of the site occurs, staff recommend that the facility continue to operate as a shelter and assessment and referral centre.

The current lease at 110 Edward Street is on a month-to-month basis for the use of the premises as a shelter and referral centre. The property owner has agreed to continue to rent the facility on a month-to-month agreement until the purchase of the property has been completed.

(6) Extension of Shelter and Referral Programs at 110 Edward Street – Financing:

The projected average monthly cost to operate is as follows the 110 Edward Street program in 2006 is \$289,708.00 gross (\$139,630.00 net). This includes \$20,000.00 a month for lease costs.

The projected average monthly cost to operate the 110 Edward Street program in 2006 is \$289,708.00 gross (\$139,630.00 net). Continuing to operate the site from January through April 2006 will cost \$1,226,387.00 (\$110,200.00 net) and is funded as follows: \$772,700.00 from the Mayor's Homelessness Reserve Funds; \$334,557.00 gross in provincial per diem subsidy; and Redirection of Emergency Hostel funding and \$110,200.00 net.

If the program is extended for the remaining eight months of 2006, the projected cost to operate for the additional eight months is \$2,250,200.00 gross (\$1,565,300.00 net). The funding source for this extension is \$596,943.00 in provincial per diem subsidy and the remainder of funding for the extension of the program from May 2006 to December 31, 2006, is included in the 2006 Shelter, Support and Housing Administration Operating Budget submission and is subject to the 2006 Operating Budget Process.

The annual lease costs in the projected operating budget are \$240,000.00. This is for the use of the main floor of the building which is approximately 15,400 square feet. With the purchase and ownership of the property the City will use this money to pay for the

on-going carrying costs of maintaining the entire property (87,727 square feet) such as the utilities, insurance, property repairs, and the necessary security for the remainder of the building.

(7) Relocation:

The location of the 110 Edward Street shelter and assessment and referral program has been a key factor in the success of the program due to its downtown location and the proximity to Nathan Phillips Square and community support agencies. Should services not continue at this location, Hostel Services would assist as many of the shelter clients as possible in finding appropriate housing prior to the closure of the program. Due to the current high occupancy in the co-ed adult sector, Hostel Services would seek an alternate location for the shelter beds. Further, given the success of the Assessment and Referral Centre Hostel Services would also look to replace that program either co-located with the shelter or as a stand alone program.

Conclusion:

The continuation of the shelter and referral centre programs at 110 Edward Street beyond April 30, 2006, is an important component in supporting the Streets to Homes strategy and addressing the shelter and support needs of people who are homeless. The operating costs for the remainder of 2006 have been included in the 2006 Shelter, Support and Housing Administration budget submission.

Contact:

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(Communication dated January 12, 2006 addressed to
the Budget Advisory Committee from the Community Services
Committee entitled “YouthAction” – Youth Safety Project’)

Recommendation:

The Community Services Committee on January 12, 2006, recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (December 20, 2005) from the Executive Director, Social Development, Finance and Administration respecting the “YouthAction” – Youth Safety Project.

(Report dated December 20, 2005, addressed to the
Community Services Committee from the Executive
Director, Social Development, Finance and Administration)

Purpose:

To seek approval to receive funding in the amount of \$124,402.00 from the Government of Canada, Department of Justice Canada Youth Justice Renewal Fund, for a post charge community based program entitled “YouthAction” to engage young people who are in conflict with the law.

Financial Implications and Impact Statement:

The total cost of the one-time project is \$124,402.00 gross, zero net, fully funded by Department of Justice. The 2006 proposed operating budget request for the Social Development, Finance and Administration Division will be increased by \$124,402.00 gross, zero net. The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the Executive Director be authorized to enter into an agreement with the Department of Justice to receive one-time funds in an amount not to exceed \$124,402.00 as the project costs for the YouthAction Project;
- (2) the Social Development, Finance and Administration 2006 proposed operating budget be adjusted by an increase of \$124,402.00 gross, zero net;
- (3) the Executive Director be authorized to enter into agreements with East Scarborough Boys and Girls Club and Native Child and Family Services for the delivery of the “YouthAction” – Youth Safety Project; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The Community Safety Plan, approved by Council in March 2004, is a package of prevention initiatives that act as a catalyst for civic action to improve public safety and build on existing strengths in Toronto communities. It includes The Mayor’s Panel on Community Safety which provides leadership to the implementation of the plan. The Panel on Community Safety has identified the need for a balanced approach to building community safety, using prevention and intervention methods.

Consistent with this approach is recognizing the importance of building partnerships between young people who have conflict with the law, their community and the justice system. Connecting young people back to their local community and providing alternatives to custody and detention build resiliency to violence and are proactive solutions to dealing with the root causes of youth crime. The youth justice working group of the Mayor's Panel which includes representatives from all orders of government, young people, Toronto Police Service and members of the local youth justice system including judges, crowns and defense counsel has identified the need for both pre and post charge diversion programs and services. The subcommittee has helped develop the post charge "YouthAction" project. The funding for this initiative is from the Department of Justice as part of the federal contribution to the Community Safety Plan.

Comments:

YouthAction will help youth participants to develop skills related to conflict management. The participants will receive training in conflict mediation, anti-oppression and other skill building workshops. The participants will also engage in the development and implementation of community safety projects that aim to create meaningful connections between young people, their peers and their communities. Local advisory groups comprised of young people, community, police, youth justice practitioners and other key players will be developed to guide the work at a local neighbourhood level.

The project model develops a unique relationship between existing, traditional youth justice organizations and non-traditional service providers especially those serving diverse ethno-racial communities. The project uses a culturally competent approach in the context of the *Youth Criminal Justice Act* (YCJA).

The project "YouthAction" will be implemented in partnership with two community based organizations, East Scarborough Boys and Girls (ESBGC) and Native Child and Family Services (NCFS), and focus on Aboriginal and Black youth in conflict with the law between the ages of 12-17 years old. The program will provide social skills training to the youth participants, including leadership, conflict management, anti-oppression as well as the use of aboriginal restorative justice models such as peace circles. Cross-cultural workshops representative of the youth involved in the program will be provided to build tolerance, respect and positive identify. Youth participants will set goals, identify issues and develop both short and long-term action plans for the future. A network of social service agencies will provide the youth with appropriate support including counselling, conflict mediation, education and employment preparation.

The youth participants will also be expected to plan and implement a community service initiative with a focus on local youth safety issues (i.e., workshops for parents on "understanding the gap", town hall meetings with police and youth, local discussion forums on gangs and drugs, etc.) as a way of positively engaging with their own communities.

The project design has been developed to help the youth strengthen protective factors against violence and also provide positive linkages between the local community, police, youth courts and schools.

The City of Toronto will be responsible for overall project administration, convening and coordinating the YouthAction Community Advisory Committee and the evaluation and interim and final reports. The YouthAction Community Advisory Committee will be comprised of the two partner agencies, young people including youth participants, youth justice representatives from the courts including crowns, youth justice committee representative, bail program staff, probation and parole staff, in addition to child welfare representatives, school board representatives, police, community partners from the employment, training and other sectors. The Advisory Committee will also act as a broad forum to address coordination issues that arise for young people involved in the program such as conflicts with the *Safe Schools Act* and YCJA or young people who are dealing with issues related to court orders that may conflict with their ability to attend to the program or school. The Advisory Committee's over arching mandate is to build local capacity between the traditional and non-traditional youth justice stakeholders.

Conclusion:

The need for alternative youth justice programs that strengthen linkages between young people who have come into conflict with the law and their community has been identified through the work of the Community Safety Panel. Connecting young people back to their local community and providing alternatives to custody and detention are proactive solutions to dealing with the root causes of youth crime. The YouthAction project meets the objectives of the City of Toronto Community Safety Plan, and is supported by partners including the Toronto Police Service. The post charge YouthAction project will help the 40 youth participants build resiliency to risk factors that can lead to violence or crime. Through skills development the building of self esteem and connection to community resources and supports, the project will help youth participants to positively manage anger, aggression, and possible entry into further criminal activity.

Contact:

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(Communication dated November 30, 2005, addressed to
the Budget Advisory Committee from the Planning and
Transportation Committee and Works Committee
entitled "Proposed 2006 Development Application
Process Fee Increases")

Recommendations:

The Planning and Transportation Committee and Works Committee recommended to the Budget Advisory Committee that City Council:

- (i) adopt the staff recommendations contained in the Recommendations Section of the report (November 18, 2005) from Fareed Amin, Deputy City Manager respecting the proposed 2006 Development Application Process Fee Increases; and
- (ii) the professional facilitators for community consultation meetings, referred to in section 4.3 of the report from Deputy City Manager Fareed Amin, be hired in conjunction with the Affordable Housing Office.

Action taken by the Committee:

The Planning and Transportation Committee and the Works Committee requested Deputy City Manager Fareed Amin to report to the Budget Advisory Committee on:

- (i) the current ratio of planners to development applications versus the ratio pre-amalgamation; and
- (ii) a method by which the City can enhance the planning process through an increase in planners.

The Planning and Transportation Committee and the Works Committee held a public meeting on November 30, 2005, in accordance with the *Municipal Act, 2001*, and notice of the proposed enactment of the draft by-law was posted on the City's web site for a minimum of four days.

Background:

The Planning and Transportation Committee and the Works Committee on November 30, 2005, considered the following report (November 18, 2005) from Fareed Amin, Deputy City Manager respecting 2006 fee increases for the development application process and a strategy to move toward 100 percent cost recovery for all development application process costs.

Recommendations:

It is recommended that:

- (1) Community Planning application fees be increased by 18.2 percent on April 1, 2006, in order to recover 100 percent of the 2006 base budget costs of the City Planning Division associated with the development review process and to fund the continuation of the full-time staff required in the Technical Services and the Parks, Forestry and Recreation Divisions for the processing of applications and the ongoing design, co-ordination and implementation of improvements to the planning application review process, as well as fund the 2006 new requests for four site plan administrators, the cost of an outside consultant to refine the determination of the full cost of processing planning applications and the costs to improve the planning process;

- (2) Committee of Adjustment fees continue to be subject to cost of living increases only, as currently determined by the amount of the percentage increase in the All Items Index of the Consumer Price Index for the Toronto Census Metro Area, published by Statistics Canada during the 12-month period ending on October 1, as set out in Section 441-11 of the Toronto Municipal Code;
- (3) engineering fees for subdivision applications be increased from three percent of municipal infrastructure cost to five percent of municipal infrastructure cost effective April 1, 2006;
- (4) engineering fees for site plan and rezoning applications be introduced in the amount of five percent of municipal infrastructure cost effective April 1, 2006;
- (5) the Deputy City Manager report to the Planning and Transportation Committee and the Works Committee prior to the 2007 budget process on a phased approach to increasing community planning and other development application process fees in the future that will allow for full cost recovery for all application processing related costs;
- (6) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 budget process; and
- (7) the City Solicitor be directed to prepare the necessary bills to give effect to these recommendations, to be effective April 1, 2006.

(Report dated November 18, 2005, addressed to the
Planning and Transportation Committee and the
Works Committee from the Deputy City Manager Fareed Amin)

Purpose:

The purpose of this report is to recommend 2006 fee increases for the development application process and to recommend a strategy to move toward 100 percent cost recovery for all development application process costs.

Financial Implications and Impact Statement:

Increasing community planning fees by the recommended 18.2 percent on April 1, 2006, is projected to generate \$1.63 million in 2006, with an incremental amount of \$407 thousand in 2007. In the event that a different percentage increase is chosen, staff will provide the financial implications at the meeting.

Increasing engineering fees from three percent to five percent of the cost of municipal infrastructure for subdivision applications on April 1, 2006 is projected to generate \$565 thousand in 2006, with an incremental impact of \$188 thousand in 2007. Introducing a new fee of five percent of the cost of municipal infrastructure for the engineering review of site plan and rezoning applications on April 1, 2006, is projected to generate \$750 thousand in 2006, with an incremental impact of \$250 thousand in 2007.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) Community Planning application fees be increased by 18.2 percent on April 1, 2006, in order to recover 100 percent of the 2006 base budget costs of the City Planning Division associated with the development review process and to fund the continuation of the full-time staff required in the Technical Services and the Parks, Forestry and Recreation Divisions for the processing of applications and the ongoing design, co-ordination and implementation of improvements to the planning application review process, as well as fund the 2006 new requests for four site plan administrators, the cost of an outside consultant to refine the determination of the full cost of processing planning applications and the costs to improve the planning process;
- (2) Committee of Adjustment fees continue to be subject to cost of living increases only, as currently determined by the amount of the percentage increase in the All Items Index of the Consumer Price Index for the Toronto Census Metro Area, published by Statistics Canada during the 12-month period ending on October 1, as set out in Section 441-11 of the Toronto Municipal Code;
- (3) engineering fees for subdivision applications be increased from three percent of municipal infrastructure cost to five percent of municipal infrastructure cost effective April 1, 2006;
- (4) engineering fees for site plan and rezoning applications be introduced in the amount of five percent of municipal infrastructure cost effective April 1, 2006;
- (5) the Deputy City Manager report to the Planning and Transportation Committee and the Works Committee prior to the 2007 budget process on a phased approach to increasing community planning and other development application process fees in the future that will allow for full cost recovery for all application processing related costs;
- (6) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 budget process; and
- (7) the City Solicitor be directed to prepare the necessary bills to give effect to these recommendations, to be effective April 1, 2006.

Background:

A number of prior reports and Council directions provide the background for this consolidated report concerning development application review fees. The fees considered in this report are all borne by the same applicants in the development application review process, so a consideration of the cumulative impact of any fee increases is recommended.

At its meeting of February 16, 2005, City Council approved Planning and Transportation Committee Report 1, Clause 2a that recommended that “Community Planning fees be increased effective February 21, 2005, in order to recover 100 percent of the current cost of processing development applications in the Urban Development Services Department and to fund the continuation of full-time staff required in the Works and Emergency Services, and Economic Development Culture and Tourism Departments for the ongoing design, co-ordination and implementation of improvements to the application review process.” Furthermore, the Commissioners of Urban Development Services, Works and Emergency Services and Economic Development, Culture and Tourism were requested to report to the Planning and Transportation Committee in 2005 on a phased approach to increasing community planning fees in the future that will allow for the full cost recovery of all application related costs. This report will address this request.

At its meeting of November 7, 2005, the Planning and Transportation Committee directed the Chief Planner and Executive Director, City Planning Division to report back on possible means of providing funding in the 2006 operating budget for the proposed changes to the planning process which have a financial impact. These improvements include hiring five additional staff to increase and enhance community consultation, and the funding for professional facilitators for community consultation meetings.

At its meeting of March 2, 3 and 4, 1999, Council approved a report entitled “Proposed Harmonization of Development Related Engineering Fees for the City of Toronto, Works and Emergency Services Department.” This report standardized the engineering fees for development related engineering services across the City as shown in Appendix A. City Divisions including Technical Services, Development Engineering incur significant costs to complete the engineering review and inspections related to development applications and any shortfall between the costs incurred and the collected engineering fees are entirely paid for by taxpayers. This report outlines the costs and recommends changes to the existing fee schedule for engineering fees.

At its meeting of May 17, 18 and 19, 2005, Council approved a report, entitled “City of Toronto 2006 Budget Process, Directions and Guidelines.” This report was forwarded to Council from the Policy and Finance Committee with input from the Budget Advisory Committee. Recommendation (3) (iv) reads “where direct users can be identified, that City user fees be set to recover the full cost of the service and be increased by the rate of inflation, while ensuring that the most vulnerable are protected; and further a separate, consolidated report on proposed user fees for each department be considered at the Budget Advisory Committee and Standing Committees, such report to consider how the policy of ensuring that the vulnerable are protected will be implemented.”

Comments:

1.0 Steps in the Development Application Review Process:

The entire development application review process consists of four phases consisting of many steps and can take up to a few years to reach completion. For the purposes of determining the costs applicable to the planning application process, four phases have been identified:

- (a) Application Review;
- (b) Agreements and Design;
- (c) Construction and Compliance; and
- (d) Municipal Assumption.

In the Application Review phase, the main steps are the pre-application consultation, application intake, technical review by City Planning and other City divisions, response by City divisions to applications, revisions to applications based on responses and the preparation of staff report for Council approval.

In the Agreements and Design phase, activities include the engineering review of detailed designs, approval of detailed designs, engineering estimates and calculation of securities, calculation of fees, finalization of agreements, review and approval of building permits.

In the third phase, Construction and Compliance, public infrastructure associated with a development application is constructed. Staff co-ordinate the construction, provide inspections and monitoring, respond to Councillor and public enquiries and complaints, manage deficiencies and reduce and track securities.

The final phase in the process is Municipal Assumption. In this phase, the construction of the development and the related infrastructure is complete. Staff will take steps to assume City services, monitor on-going compliance, liaise with the relevant City divisions regarding the assumption of services and link services to the Capital program.

2.0 Legislative Authority for Cost Recovery:

Section 69 of the *Planning Act* provides the municipality the authority to establish fees for the processing of planning applications. The processing of planning applications refers to the first two phases in the development application review process as described above. The *Act* also indicates that the tariff must only cover the anticipated cost of processing such applications, meaning that the municipality does not have the authority to charge tariffs which exceed the processing cost. Subsection 69(1) of the *Planning Act* reads as follows:

“69(1) The council of a municipality, by by-law, and a planning board, by resolution, may establish a tariff of fees for the processing of applications made in respect of planning matters, which tariff shall be designed to meet only the anticipated cost to the municipality or to a committee of adjustment or land division committee constituted by the council of the municipality or to the planning board in respect of the processing of each type of application provided for in the tariff.”

Subsection 69(3) of the *Planning Act* allows for an appeal to the Ontario Municipal Board and reads as follows:

“69(3) Any person who is required to pay a fee under subsection (1) for the processing of an application in respect of a planning matter may pay the amount of the fee under protest and thereafter appeal to the Municipal Board against the levying of the fee or the amount of the fee by giving written notice of appeal to the Municipal Board within thirty days of payment of the fee.”

Due to this legislative requirement, it is important that planning fees are set at a rate that does not exceed the cost of processing.

The Development Engineering section in the Technical Services Division currently collects a fee for engineering design review and inspection of any new municipal infrastructure built in connection with new subdivision developments. The authority to collect the fee was established by Council approval of Clause 21 of Report 5 from the Strategic Policies and Priorities Committee at its meeting on March 2, 3, and 4, 1999. The fee is meant to cover the cost of review and approval of the engineering drawings as well as the inspection of future municipal infrastructure which is most often built in connection with plans of subdivision. It is charged at a rate of three percent of the estimated cost of the new municipal infrastructure.

3.0 Current Level of Cost Recovery:

3.1 Community Planning:

Community planning applications include Official Plan amendments, rezonings, site plan approvals, plans of subdivision, condominium registration and part lot control. Costs incurred for the processing of community planning applications in the Community Planning Division include the apportioned cost of the staff involved in reviewing and processing planning applications and an apportioned cost of the front counter customer service operation that provides the intake function for applications. In 2004, a total of 741 applications were received; similar volumes are expected to be achieved in 2005 and are assumed for 2006. Revenue for 2005 is budgeted at \$11.131 million.

Based on the 2006 base budget submission of the City Planning Division before reduction proposals, it is projected that 94 percent of the costs incurred in the City Planning Division for these applications will be recovered through fees.

Section 441-11 of the Toronto Municipal Code requires that community planning fees automatically increase on January 1 of each year by the percentage increase in the All Items Index of the Consumer Price Index (CPI) for the Toronto Census Metropolitan Area, published by Statistics Canada, during the 12-month period ending October 1, in the year immediately preceding the rate increase date.

3.2 Technical Services and other Divisions in the Former Works and Emergency Services Department:

Staff from the Development Engineering and Survey and Mapping sections in the Technical Services Division, as well as the Transportation, Solid Waste

Management, Fire Services and Toronto Water all participate in the review of community planning applications as well as the later implementation phases of development.

The 2005 costs in these divisions for the review of community planning applications have been estimated at \$4.96 million. At the present time, there are no fees in place to recover these costs.

In addition, the 2005 costs for the remaining phases of the development application process are \$2.9 million, with current cost recovery of \$1.13 million or 39 percent.

3.3 Other Staff Involvement in Development Application Review:

Development applications are also reviewed by staff in the Parks, Forestry and Recreation Division as they relate to public and private trees on roadway, parkland, private property or designated ravine lands, and parks planning and land acquisition for parks. In 2005, the cost for two staff positions in Parks, Forestry and Recreation has been funded through community planning fees and it is recommended that this continue for 2006. Otherwise, there is no fee in place for the recovery of costs related to the review of development applications in this division.

3.4 Committee of Adjustment:

Committee of Adjustment applications include minor variances and consents. In 2004, there were 3,395 applications processed, with a similar level anticipated in 2005 based on year to date experience. Based on the 2006 base budget submission, approximately 81 percent of the costs in the City Planning Division attributable to Committee of Adjustment applications will be recovered through fees. The 2005 budgeted revenue is \$3.86 million. Similar to community planning fees, Committee of Adjustment fees currently increase automatically on January 1 of each year by the CPI percentage increase.

4.0 Fee Proposal – Community Planning Fees:

4.1 Fees to Provide for Cost Recovery of 2006 Base Budget Request:

In order to achieve 100 percent cost recovery of 2006 base budget costs in the City Planning Division and provide for the continuation of the full-time staff required in the Technical Services and the Parks, Forestry and Recreation Divisions to meet STAR timelines and for the ongoing design, coordination and implementation of improvements to the planning application review process, community planning fees will require an increase of 9.1 percent assuming an April 2006 implementation date. This will provide an additional \$815 thousand in revenue in 2006.

If this additional revenue is not achieved, the City Planning Division will need to reduce programs and staff in order to meet 2006 operating budget targets. These reductions include a staff reduction of four positions, as well as the elimination of other programs such as the Cycling Ambassador program. The elimination of staff positions would reduce the level of service able to be offered and would have a negative impact on meeting STAR timelines.

4.2 Fees to Provide for Cost Recovery of 2006 Base Budget plus New Requests:

In addition to its base budget request, the City Planning Division has made a new request to hire four site plan administrators in 2006 to process site plan applications consistently across the City. These staff will be responsible for assisting planners in reviewing landscape plans and ensuring that all site plan conditions are in full compliance prior to authorizing the release of letters of credit. The nine-month cost of four staff positions plus mileage costs and start up costs is \$288 thousand.

As noted in the preceding paragraphs, the proposed fee increase for community planning applications will not recover 100 percent of the full cost of processing applications across all divisions. Staff propose a second phase of the fee review project which will culminate in a further report to the Planning and Transportation and Works Committees prior to the 2007 budget process. This phase will include tracking the processes of all planning applications in City Planning and all other divisions involved in development applications to determine the applicable amount of direct staff time, support costs and capital costs that are properly included in a 100 percent cost recovery model. It is suggested that a consultant be retained to complete this work so to ensure an objective, defensible rationale for any subsequent fee adjustments. The cost of this consulting work is estimated at \$100,000.00 in 2006.

In order to achieve full cost recovery for City Planning Division costs, new site plan administrators and the cost of a consulting study, community planning fees will need to increase by 13.5 percent, assuming an April 1, 2006, implementation date.

4.3 Fees to Provide for Cost Recovery of 2006 Base plus New Requests plus Improving the Planning Process:

As noted above, on November 7, 2005, the Planning and Transportation Committee directed the Chief Planner and Executive Director, City Planning Division to report back on possible means of providing funding in the 2006 operating budget for the proposed changes to the planning process which have a financial impact. These improvements include hiring five additional staff to increase and enhance community consultation, and the funding for professional facilitators for community consultation meetings. The cost of five staff in 2006, assuming an April 1, 2006, start date, will be \$341 thousand. The projected cost of professional facilitators is projected at \$85 thousand.

In order to achieve full cost recovery for City Planning Division costs, new site plan administrators, the consulting study, and costs associated with improving the planning process, community planning fees will need to increase by 18.2 percent in 2006, assuming an April 1 implementation date. Staff recommend that this option be adopted so that improvements to the planning process can be implemented in 2006.

5.0 Building Permit Fees:

The second phase of the development application review process includes the review and issuance of building permits. In a companion report before the November 30, 2006, joint meeting of the Planning and Transportation and Works Committees, entitled “Adjustment to Building Permit Fees and Resources Related to the Implementation of the *Brownfields Statute Amendment Act*”, a building permit fee increase of 4.6 percent is recommended in order to maintain the current level of service.

6.0 Fee Proposal – Engineering Fees:

As noted above, there is currently a charge of three percent on the cost of municipal infrastructure for the engineering review of subdivision applications. No fees are currently charged for the review of site plan or rezoning applications. A review of similar fees in other GTA municipalities indicates that the City of Toronto’s are currently in the lower end of the range.

In order to improve cost recovery for the engineering review of development applications, it is recommended that the engineering fee for the review of subdivision applications be increased to five percent of the cost of municipal infrastructure. Based on current volumes and an April 1, 2006 implementation date, it is projected that this increase will generate an additional \$565 thousand in revenue in 2006.

Furthermore, it is recommended that a new fee for the engineering review of site plan and rezoning applications be introduced. This fee is also proposed to be calculated at five percent of the cost of municipal infrastructure for site plan applications. As this is a new fee, the potential revenue to be generated is uncertain, but is estimated at approximately \$1 million for an entire year. Based on an April 1, 2006, implementation date, it is projected that \$750 thousand in additional revenue could be generated to offset the costs of providing this service.

7.0 Committee of Adjustment Fees:

In the case of Committee of Adjustment applications, it is proposed that fees not be increased above the rate of inflation at this time, as allowed for under the Toronto Municipal Code. Private citizens often undertake the type of work represented by these applications, where the cost sensitivity may be more acute. Significantly higher fees may also discourage the public from seeking appropriate municipal permits. Increasing Committee of Adjustment fees by the CPI factor will generate an additional \$77 thousand in revenue in 2006.

8.0 Other Considerations:

8.1 Policy Considerations:

From a municipal policy perspective, there is an argument that development application fees should be below cost to recognize that land use regulation benefits the entire community and the property taxpayer should bear some of the cost. Further, if development is considered a benefit to the community and the City, then it is possible that the public has an interest in the review of development applications related to time spent on such matters such as public consultation beyond the requirements of the *Planning Act*. For these reasons, it is valid to consider increasing the cost recovery rate without achieving 100 percent for all development application costs in 2006. However, any costs related to the processing of planning applications that are not recovered through fees must be recovered through the property tax levy.

8.2 Development Application Review Process:

In 2002, Council established the Development Application Review Project to oversee the streamlining of all aspects of the development application review process and to develop improved, transparent and consistent service delivery standards. Although there have been many accomplishments to date, there are still a number of improvements to be made in 2006.

In a companion report before the November 30, 2005, joint Planning and Transportation and Works Committee meeting, entitled "Status Report Development Application Review Project", staff have recommended a new structure for a dedicated co-ordinating team, comprised of staff from the City Planning, Building and Technical Services Divisions. The recommended community planning fee proposals contained in earlier sections of this report allow for the funding of two positions in the Technical Services Division who will form part of this team.

8.3 Comparison with other GTA Municipalities:

Appendix 1 shows the current and proposed community planning fees in comparison to those of surrounding municipalities, based on the most recent information available. Although it is difficult to directly compare individual fees as every municipality has a different method of assessing fees, the proposed fees will place the City of Toronto at the upper end of fees charged. It can be argued that the processing of development applications in Toronto is more complex and time-consuming than in other municipalities, justifying a higher level of fees. This appendix shows the impact of both the recommended 18.2 percent increase and the 13.5 percent increase from section 4.2 of this report for comparison purposes.

Appendix 2 shows the current and proposed engineering fees in comparison to those of surrounding municipalities. The proposed increase to five percent for subdivisions is competitive with other municipalities. The proposed new fee for site plan and rezoning applications is in the higher end of the range of fees charged.

The total impact of the proposed fees for planning and building permit applications, combined with existing development charges, was also compared with the same fees in other GTA municipalities. A summary of our findings is presented below. For residential projects, on a combined basis, fees in Toronto are still significantly less than in other municipalities. The impact for an office building project shows that while Toronto's fees would be higher than Richmond Hill or Markham, they are significantly less than those charged in Vaughan or Mississauga.

Municipality	2-Bedroom Condo – Per Unit \$	1-Bedroom Condo – Per Unit \$	Townhouse – Per Unit \$	Office Building – Per Project \$
City of Toronto – current	7,952.69	5,724.69	11,694.38	204,797.06
City of Toronto – with 13.5 percent increase	8,075.33	5,847.33	11,867.59	217,435.02
City of Toronto – with 18.2 percent increase	8,101.50	5,873.50	11,907.26	219,900.19
Town of Richmond Hill	16,487.17	13,036.17	22,785.16	122,006.80
City of Vaughan	17,872.35	14,421.35	24,906.79	706,473.70
City of Mississauga	15,074.49	15,074.49	21,295.14	1,032,118.75
Town of Markham	17,484.98	12,136.98	22,662.25	173,156.80

Appendix 3 shows the detailed breakdown of the combined impact of the proposed fee increases for typical applications.

Conclusions:

At their existing levels, community planning fees will not cover the full cost of processing applications in the City Planning Division alone in 2006. There are also costs incurred in many other divisions of the City that do not have cost recovery. A fee increase is necessary to avoid any staff reductions that would decrease service levels for applicants. The recommended 18.2 percent fee increase will allow for the addition of four site plan administrators, improvements to the planning process and the retention of a consultant to advise on any future year fee increases.

The current level of engineering fees will not recover the costs incurred in the Technical Services and other divisions. To partially offset this shortfall, it is recommended that fees for the engineering review of subdivision applications be increased from three percent to five percent of the cost of municipal infrastructure. It is also recommended that a new fee of five percent be introduced for the engineering review of site plan and rezoning applications.

Staff will report back prior to the 2007 budget process with recommendations on a phased approach to increasing community planning and other development application process fees in the future that will allow for full cost recovery for all application processing fees.

Contacts:

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List of Attachments:

Appendix 1 – Comparison of Community Planning Fees with Other GTA Municipalities
Appendix 2 – Engineering Fees in GTA Municipalities
Appendix 3 – Comparison of Combined Development Fees with Other GTA Municipalities

(A copy of each of Appendices 1, 2 and 3, referred to in the report, was forwarded to all Members of Council with the agenda of the Planning and Transportation Committee and the Works Committee for their joint meeting on November 30, 2005, and a copy is on file in the office of the City Clerk, City Hall.)

(Report dated February 13, 2006, addressed to the
Budget Advisory Committee from the Chief Planner and
Executive Director, City Planning, entitled
“Specifics of the Initial ‘Lights Out Toronto’ Campaign to
Raise Awareness of the spring and fall Migratory Bird Seasons”)

Purpose:

To respond to a request from the Planning and Transportation Committee meeting of January 20, 2006, for a report to identify the specifics for a “Lights Out Toronto” semi-annual public awareness raising campaign before the spring migratory season of 2006; to seek authority

for the City to receive third-party contributions to offset costs of this campaign; and to amend the 2006 City Planning Operating Budget to accommodate these contributions accordingly. The report is being sent to the Budget Advisory Committee for consideration during the 2006 budget process.

Financial Implications and Impact Statement:

Adoption of the recommendations in this report will necessitate:

- (i) the acceptance of third party contributions from Migratory Bird Stakeholders and donors including the Canadian Wildlife Service, Toronto Hydro, and the Fatal Life Awareness Program (FLAP) for the implementation of the “Lights Out Toronto Public Awareness Campaign” pilot project; and
- (ii) the incorporation of an additional \$40,000.00 gross/revenue for a net \$0 impact to the City Planning 2006 Operating Budget. Spending authority is contingent upon receipt of all third party funding to complete the project.

Funding approval for 2007 will be requested during the 2007 budget process. An effort by migratory bird stakeholders will be undertaken to obtain permanent funding in future years.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) City Council adopt a pilot program for a “Lights Out Toronto” campaign to run twice in 2006, corresponding with the spring and fall migratory seasons, that advocates and encourages the turning off of lighting, when not needed, through ads on TTC vehicles, brochures and other effective advertising media;
- (2) City Council authorize the acceptance of third party contributions to be used to undertake the “Lights Out Toronto” public awareness campaign from migratory bird stakeholders and partners including Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors;
- (3) City Council authorize the entering of an agreement with the Canadian Wildlife Service in order to accept their third party donation of \$15.0 thousand to be used for the “Lights Out Toronto Campaign”;
- (4) the Chief Planner and Executive Director, City Planning, when reporting back as requested in one-year’s time on progress made including a review of daytime strikes and an investigation of light pollution policies and by-laws enacted in other jurisdictions, that such report also include a review of the success of the 2006 “Lights Out Toronto” pilot program and the involvement and role of the City in subsequent “Lights Out Toronto” campaigns;

- (5) the 2006 Proposed Operating Budget for City Planning be increased by \$40,000.00, offset by revenue from third-party contributions for an equal amount, for a \$0 net impact on the 2006 Proposed Operating Budget; and spending authority be contingent upon receipt of all third-party funding required to complete the project;
- (6) this report be forwarded to the Planning and Transportation Committee for information; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting on January 30, 31 and February 1, 2006, City Council adopted the following recommendation contained within a staff report, entitled “Preventing Migratory Bird Deaths Resulting from Collision with Buildings” (Report 1, Clause 5):

- (5) the Chief Planner and Executive Director, City Planning, be requested to report back to the Planning and Transportation Committee on the specifics of a “Lights Out Toronto” biennial awareness raising campaign, before the spring migratory season;

This report responds to the request contained in this recommendation. Note that in the above amendment, “biennial” should read “semi-annual”. This amendment was intended to correct a reference in the staff report to refer to a semi-annual or twice yearly campaign to correspond with the spring and falls migratory seasons. The correct term should be “semi-annual”.

Comments:

“Lights Out Toronto”

Chicago and New York City are the two other North American cities that have developed and implemented bird-friendly policies. Both of these cities have included a comprehensive public awareness campaign in their efforts to reduce the numbers of migratory bird deaths. Experience in Chicago and New York suggests that once the public awareness campaigns that these cities initiated informed their publics on the danger that brightly-lit buildings pose to migratory birds, a high degree of support and participation resulted due to the public concern for birds. Anecdotal evidence indicates that the same experience can be expected in Toronto with a public awareness campaign.

Staff and stakeholders have identified several means of disseminating the “Lights Out Toronto” message to the widest possible audience. They have been organized into two groups. The first group does not require funding as the work can be done in house by the City as services deemed “in-kind”. These include:

E-mail broadcasts:

The City and stakeholders will arrange for large scale e-mail broadcasts to City staff and stakeholder membership lists throughout the migratory seasons. These broadcasts will contain

relevant information as to how one can assist in reducing migratory bird deaths such as turning out unnecessary lights at night, using blinds if working late and where to report sightings of injured birds. These will be similar to the “Smog Alert” messages currently used by the City.

Newsletters:

The City and stakeholders will arrange for public service announcements to be included in City and organizational newsletters that will inform readers of the “Lights Out Toronto” program and how they can assist in reducing migratory bird deaths. City Councillors would also be encouraged to include these announcements in their ward newsletters. Local businesses will be informed through local Business Improvement Areas newsletters be requesting that the Toronto Association of Business Improvement Areas include these public service announcements their membership newsletters.

Written Communication:

Communications will be sent to building owners, managers, systems staff and possibly tenants through mailed correspondence that contain information on how to assist in the reduction of migratory bird deaths. The City is working with Toronto Hydro who has already begun some of this work with letters sent to select building owners and managers on the potential energy savings resulting from darkening their buildings. Toronto Hydro is preparing a stand alone insert on the “Lights Out Toronto” campaign to go into bills for the March-April billing period. The City will continue to work with Toronto Hydro in connecting with key actors in the Target Area.

Media/Publications:

Media releases will be sent out by the City to all local media including large and small newspapers, radio and television stations.

Magazines and publications that will run free ads and include articles on the “Lights Out Toronto” campaign will be identified. The City and migratory bird stakeholders will work together on connecting with as many publications as possible willing to carry stories and public service announcements on the “Lights Out Toronto” program.

Website for Lights Out Toronto

The City will produce a detailed webpage for the “Lights Out Toronto” pilot project. It will contain information on the issue of migratory bird deaths, information on how members of the public can assist in reducing migratory bird deaths, what to do if an injured or dead bird is found, the latest news and updates on the “Lights Out Toronto” project, who to contact if one wishes to volunteer for the project, and links to the City’s partners and fellow stakeholder websites including the similar programs operating in Chicago and New York.

Presentations:

To be given to members of the downtown business community, through meetings such as the BOMA/Board of Trade breakfast seminars for the energy sector. A PowerPoint presentation will be developed for this purpose by staff and stakeholders.

Events:

At select events such as Earth Day and Migratory Bird Day, the “Lights Out Toronto” program will be publicized by volunteers, including the Toronto Environmental Volunteers, who will engage the public through information booths where information and material will be handed out to the public with the goal of raising general awareness of the issue of migratory bird deaths and how the public can act to help reduce them.

In addition to the above “in-kind” services to be offered by the City and migratory bird stakeholders, several means of communication have been identified for the “Lights Out Toronto” pilot project that have costs associated with them and thus will require funding. These include:

Brochure:

An informative colour brochure explaining the issues of migratory bird deaths, the “Lights Out Toronto” program, how members of the public can assist in reducing migratory bird deaths, what to do if an injured or dead bird is found, and who to contact if one wishes to volunteer for the project. These will be distributed to the public at various events where volunteers will engage the public in raising general awareness of migratory bird deaths.

Printing cost per 20,000: \$4,500.00

TTC Ads:

These ads will be the “Standard Interior Poster” and will go into subway cars, buses and streetcars. They will present relevant information on the issue of migratory bird deaths and how the public can assist in reducing them.

300 panels for 56 days: \$16,000.00

Production cost for 300 ads: \$2,950.00

Elevator ads in downtown office towers:

Several elevators in the downtown office towers have television screens installed that depict full-motion ads similar to TV, or static like internet ads of 15 seconds with no audio. Ads appear at least 48 times each day.

\$25.00 per week per screen for selected locations.

Volume discount: \$15.00 per week per screen for all 716 locations for a total of \$ 11,750.00

Fridge Magnets:

Magnets are to be distributed to the public at various events where volunteers will engage the public in raising general awareness of migratory bird deaths. These will be 2 x 3 inch, 4-colour, flexible magnetic material that will present specific information on the “Lights Out Toronto” program and will serve as an effective reminder of the need to reduce migratory bird deaths.

Production cost per 20,000: \$4,800.00

A detailed communication plan for “Lights Out Toronto” has been developed by City Planning Communications that sets out communication strategies and timelines for the campaign.

Additionally, an area in the downtown has been identified as a ‘target area’ for the pilot project where property owners, managers and tenants will be encouraged to participate in the “Lights Out Toronto” program. Stakeholders will also concentrate their efforts on the rescue of injured and collection of dead migratory birds in this area to be bounded by Bloor Street on the north to the lakefront on the south, and Jarvis Street on the east to University Avenue on the west. This target area contains the tallest buildings in the City and also tends to project the highest concentration of light into the night sky after hours. By initially working within this targeted area the City and stakeholders can focus, measure and evaluate the success of the public awareness-raising efforts and the rescue, subsequent rehabilitation and release of injured migratory birds. Building owners, managers and tenants in this area will be contacted and informed of the danger brightly-lit buildings pose to migratory birds and will be encouraged to dim the lights in their buildings, offices and residences at night during each migratory season.

Funding:

Staff were encouraged by the Planning and Transportation Committee to seek outside funding sources for this public awareness campaign as the resources of the City for this project will be limited to “in-kind” services, which include significant staff time and expertise. To date, approximately \$40.0 thousand has been committed to the project from outside stakeholders. These include the Canadian Wildlife Service, Toronto Hydro, and the Fatal Light Awareness Program.

To facilitate the funding for this campaign, it is proposed that the City accept contributions to be used for the “Lights Out Toronto” public awareness campaign, and authorized for disbursement by the Chief Planner and Executive Director of City Planning. Staff will support, guide and review the campaign as required. Public participation and consultation on these efforts will occur throughout the process with the various migratory bird stakeholders.

As the work outlined in this report is carried out, an effort by the migratory bird stakeholders to attain permanent funding will be undertaken, lead by a Fundraising Team of volunteer stakeholders.

Financial Agreements:

At this time the only contributor to the “Lights Out Toronto” program that has requested a financial agreement with the City is the Canadian Wildlife Service. It is possible that other contributors may also request similar financial agreements.

Future Work:

The intent of the “Lights Out Toronto” is to raise public awareness on the issue of migratory bird deaths and inform the public on how they can help reduce the number of unnecessary bird deaths throughout the year. Staff have been directed by Council to report back in one-year’s time on

progress made in reducing migratory bird deaths. This report is to include a review of daytime strikes and an investigation of light pollution policies and by-laws enacted in other jurisdictions. It is proposed that such report also include a review of the 2006 “Lights Out Toronto” pilot program for the spring and fall migratory seasons and an analysis of the success of the 2006 public awareness campaign.

Conclusions:

In order to raise public awareness of the issue of migratory bird deaths resulting from collision with buildings, a campaign entitled “Lights Out Toronto” has been developed. The key message of this campaign is the danger brightly lit buildings pose to migrating birds that are disoriented and confused by urban light. The City will work with several stakeholders in disseminating the message of turning lights out at night during the spring and fall migratory seasons.

Several means of communicating this message to the public have been identified, which include some that require funding and some that do not. In addition to facilitating and coordinating these efforts through a variety of “in-kind” services, the City will work with stakeholders in overseeing the use of third-party contributions that will fund the “Lights Out Toronto” public awareness campaign in its entirety. The total amount of these contributions is anticipated to be \$40.0 thousand and will be used for the costs of the various means of communication identified in this report. It is proposed that City Council authorize the acceptance of such third-party contributions for this purpose.

Staff and stakeholders will monitor and adjust the “Lights Out Toronto” campaign throughout the spring and fall migratory seasons. It is proposed that staff report back to Council with an analysis of the success of the program and the future role of the City in subsequent “Lights Out Toronto” programs after the fall migratory season.

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(Report dated February 1, 2006, addressed to the Budget
Advisory Committee from the Deputy City Manager, Fareed Amin and
the Deputy City Manager and Chief Financial Officer, entitled
“Adequacy of Solid Waste Management Perpetual Care Reserve Fund”)

Purpose:

To provide advice on the implications of not making the planned Solid Waste Management Services operating program contribution to the Solid Waste Management Perpetual Care Reserve Fund for 2006 in the amount of \$3,166,500.00.

Financial Implications and Impact Statement:

The Council-approved plan called for a \$3,000,000.00 contribution to the Solid Waste Management Perpetual Care Reserve Fund in 2005 to be funded from the 2004 operating surplus of Solid Waste Management Services. This contribution was made as planned.

For 2006, the plan was for the contribution to increase by 5.55 percent or \$166,500.00 to \$3,166,500.00 to be included in the 2006 Solid Waste Management Operating Budget submission. If the 2006 contribution is not made to the reserve fund, then the 2007 contribution would need to increase to \$3,435,000.00, and the planned increase in the annual contribution would need to increase from 5.55 percent to seven percent per year starting in 2008 in order to maintain the original financing plan.

If contributions to the reserve fund are no longer made at all, then it is expected that the reserve fund would be depleted by 2012 and a budget pressure of approximately \$10 million per year would need to be funded starting in 2013 in order to maintain the City's closed landfill sites.

Recommendations:

It is recommended that:

- (1) should there be a surplus in the 2005 Solid Waste Management Services operating program, the Deputy City Manager and Chief Financial Officer report on whether any or all of this surplus should be transferred to the Solid Waste Management Perpetual Care Reserve Fund;
- (2) the planned 2006 Solid Waste Management Services operating program contribution to the Solid Waste Management Perpetual Care Reserve Fund be deferred and a contribution of up to \$3,435,000.00 be included in the 2007 Solid Waste Management Services operating budget submission; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of January 16, 2006, the Works Committee requested a report back from the General Manager, Solid Waste Management Services to the Budget Advisory Committee in February 2006 on the operational implications of not making a contribution to the Solid Waste Management Perpetual Care Reserve Fund, given the adequacy of the reserve fund. Further the Committee also requested a report from the Deputy City Manager and Chief Financial Officer to the Budget Advisory Committee on any sources of funding available for the 2006 contribution.

Comments:

Under Provincial legislation, Solid Waste Management Services is responsible for the perpetual care of 158 closed City landfill sites after primary operations have ended. Current projections indicate that the reserve fund will provide for perpetual care expenses only until 2012 if no additional contributions are made. Thereafter, approximately \$10 million per year would be required to maintain the closed sites. As a result, Council at its meeting of February 21 to 25, 28,

and March 1, 2005 approved Policy and Finance Committee Report 3, Clause 2 wherein an annual contribution starting in 2005 at \$3,000,000.00 per year increasing by 5.55 percent per year would be made to the Solid Waste Management Perpetual Care Reserve Fund to finance future closed landfill related expenses.

A \$3,000,000.00 contribution was made in 2005 funded from the Solid Waste Management Services 2004 operating surplus. Given the financial constraints on the City at this time, it is similarly being recommended that the Deputy City Manager and Chief Financial Officer report back on whether there are any funds in the 2005 Solid Waste Management Services operating program that could be used to fund any or all of the planned \$3,166,500.00 contribution in 2006. Should the required 2006 contribution amount of \$3,166,500.00 not be available, then the 2007 contribution would need to increase to \$3,435,000.00 and the annual increase starting in 2008 would need to increase from 5.55 percent to seven percent in order to maintain the original financing plan.

Conclusions:

Cutting the annual contribution to the Solid Waste Management Perpetual Care Reserve Fund puts additional pressure on subsequent years' operating budgets. Should no additional funding be provided, then it is projected that the reserve fund would be depleted by 2012 and annual financing of \$10 million would be required to fund the closed landfill related expenses starting in 2013.

Given the current financial constraints on the City, it is recommended that the 2006 contribution to the Solid Waste Management Perpetual Care Reserve Fund not be included in the operating budget submission, but instead be potentially funded from any available Solid Waste Management Services 2005 operating surplus. The Deputy City Manager and Chief Financial Officer will report further in this regard. The required 2007 contribution would then be included in the 2007 operating budget submission in order to maintain the original financing plan.

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(Report dated December 14, 2005, addressed to the
Administration Committee from the City Clerk, entitled "Establishing
New Committees and Advisory Bodies – Resource Impact and
Compliance with Section 108 of Council's Procedure By-law")

Purpose:

This report identifies the resources required to provide secretariat support services to four new committees and advisory bodies formed by Toronto City Council in the past five months. The report also recommends a policy to ensure that resource impacts are clearly identified when new committees and advisory bodies are formed in the future.

Financial Implications and Impact Statement:

To adequately provide secretariat support services to four new committees and advisory bodies formed by Toronto City Council in the past five months, one new position will need to be added to the Secretariat Unit of the City Clerk's Office. The annual budget for the position is \$92,368.44, with an annualized impact of \$69,276.33 in 2006. It is recommended that this additional budget request be referred to the Budget Advisory Committee for consideration during the 2006 Operating Budget process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact.

Recommendations:

It is recommended that:

- (1) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 Operating Budget process;
- (2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk's Office 2006 Operating Budget;
- (3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;
- (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:
 - (a) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;
 - (b) confirming the availability of resources to provide meeting support services;
 - (c) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;
- (5) following adoption of policy contained in recommendation (4), the City Clerk's Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement;
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Since June 2005, City Council has created four new committees and advisory bodies, including:

- Affordable Housing Committee (established June 14, 15 and 16, 2005);
- Community Partnership and Investment Program Appeals Sub-Committee (established June 14, 15 and 16, 2005);
- Mayor's Economic Competitiveness Advisory Committee (established December 14, 2005); and
- Ethics Steering Committee (recommended to City Council).

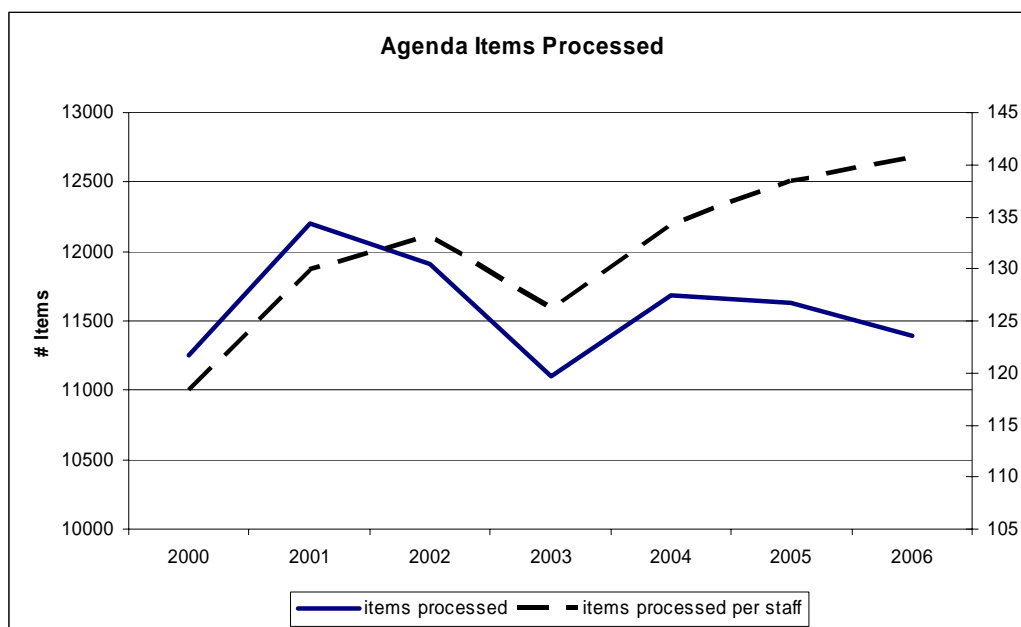
These new committees and advisory bodies all require secretariat support services, including meeting management, agenda preparation and distribution, and decision tracking. While the Secretariat have been able to support additional committees and advisory bodies formed by City Council in the past through internal service delivery reviews and re-alignment of staff resources, the addition of these new committees and advisory bodies have exceeded the Secretariat Unit's capacity. The report provides an analysis of the impact on Secretariat resources as a result of new committees and advisory bodies being formed, and proposes a policy to manage the resource impact and to ensure that Section 108 of Chapter 27 of the Municipal Code, Council Procedures, is adhered to prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee.

Comments:

The Secretariat Unit of the City Clerk's Office provides support to the City of Toronto's legislative and deliberative processes in accordance to corporate and statutory requirements. It provides meeting support to Council, Standing Committees, Sub-Committees, Community Councils, Roundtables, and other advisory bodies.

Since amalgamation, the number of agenda items processed and the number of committees and advisory bodies being supported by the Secretariat Unit has increased, while the staffing numbers in the Unit has declined. From 2000 to 2005, the number of staff in the Secretariat Unit has decreased from 95 to 84, a 12 percent decline. During the same period, the number of agenda items processed per staff has increased from 118.4 per staff to 138.2 per staff, an increase of 17 percent. Figure 1 shows the widening gap between staff resources, and the increasing work load demand.

Figure 1



As of June 2005, the Secretariat Unit provided meeting support services to 61 bodies, including: City Council and its Committees (16), Sub-Committees of Council Committees (13), Roundtables (6), Agencies, Boards and Commissions (7), and other advisory bodies (19). Attachment A lists these 61 committees and advisory bodies.

Secretariat resources to support these committees and advisory bodies are already stretched significantly because of the growing number of agenda items, the increasing number of additional joint meetings and special meetings of committees and Council, and the greater tendency to hold meetings during lunch periods. According to the *Employment Standards Act*, staff cannot work more than 5 hours without a break. As a result, it has become necessary to rotate staff to service committee meetings which take place during lunch hours or in the evening so as to comply with legislative requirements. This has placed further stress on an already stretched Unit.

Assuming that the demand for Secretariat support services to the four new bodies is similar to other established committees and advisory bodies, the workload of the Secretariat is anticipated to increase by 4 percent.

In order to adequately provide Secretariat support services to the four new committees and bodies, additional Secretariat resources will be required. It is recommended that one new additional staff be added to the Secretariat Unit of the City Clerk's Office (1 Committee Secretary). The annual salary and benefits for the one new staff would total \$92,368.44. The annualized impact in 2006 would be \$69,276.33. It is recommended that this report be forwarded to the Budget Advisory Committee so that the new request can be considered during the deliberation of the 2006 Operating Budget of the City Clerk's Office.

If additional resources are not allocated, the quality of Secretariat support services will be negatively affected. This will lead to delays in the preparation and distribution of agendas and post-meeting decision documents, and inability of staff to meet demands from Council Members, City staff and the public.

The Secretariat function is essential to the functioning of the City government. It facilitates a responsible Council and committee decision-making process. It supports an open, transparent and accountable government. It is critical that Secretariat resources are adequate to meet the demands of the growing number of committees and advisory bodies.

Compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures:

Justice Bellamy, in her recommendations to City Council, recognized that too many ad hoc committees and advisory bodies are being established, resulting in confusion from jurisdictional overlap.

Section 27-108 of the Municipal Code, Council Procedures sets out the conditions which must be met prior to the establishment of any special Committee, Task Force, Advisory Committee or Sub-Committees by City Council. These conditions include a clear Terms of Reference for the committee or advisory body, which must set out:

- (1) the matters to be dealt with by the committee;
- (2) a reporting date and a sunset date, beyond which Council approval is required for its continuation;
- (3) the membership;
- (4) the standing committee to which the special committee, task force, advisory committee or sub-committee shall report to;
- (5) the reason why the work cannot be undertaken by an existing standing committee; and
- (6) identification of the staff and other resources required to support the work of the special committee, advisory committee, task force or sub-committee, and a determination that they are available within existing resources.

In the past, when City Council formed committee and advisory bodies, it has not been clearly stated that Section 108 of Chapter 27 has been adhered to. In order that City Council knows the full impact of its decision in forming new committees or advisory bodies, it is recommended that prior to Council's decision to establish any new committee, sub-committee or task force, the City Clerk be requested to submit an impact statement setting out the following:

- (a) the resources required for meeting support services;
- (b) the appropriateness of Secretariat meeting support being provided;
- (c) whether support services can be accommodated within existing resources, or that additional resources would be required; and

- (d) whether the Terms of Reference of the newly established Committees or Task Force complies with Section 108 of Council's Procedure By-law.

Attachment B outlines a recommended policy so that all future new committees and advisory bodies will clearly describe its impact on Secretariat support resources and its compliance with Council procedures.

Conclusion:

Since 2000, the Secretariat Unit has increased its workload per staff by 17 percent while the number of staff declined by 12 percent. The capacity of the Secretariat is already stretched with the demands of existing Committees and advisory bodies. The formation of four new committees and advisory bodies since June 2005 would require additional resources to be added. It is recommended one new staff be added and be considered as part of the City Clerk Offices' 2006 Operating Budget. In addition, in order that City Council knows the full extent of the resources requirements of new committees and task forces, and whether the proposed body is in compliance with Council's Procedures By-law, it is recommended that the City Clerk submit an impact statement prior to Council's establishment of any new committee, sub-committee or task force.

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List of Attachments:

Attachment A: List of Bodies Supported by Secretariat Unit, City Clerk's Office, June 2005

Attachment B: Policy to Ensure Compliance with Section 108 of Council's Procedure By-law

Attachment A

Bodies Supported by Secretariat Unit, City Clerk's Office

Group A: Bodies that report directly to Council, its Standing Committees and Community Councils, plus the Budget Advisory Committee

City Council
Administration Committee
Audit Committee
Board of Health
Budget Advisory Committee
Community Services Committee
Economic Development and Parks Committee
Nominating Committee
Planning and Transportation Committee
Policy and Finance Committee

Striking Committee
Works Committee
Etobicoke-York Community Council
North York Community Council
Scarborough Community Council
Toronto and East York Community Council

Group B: Sub-Committees:

Planning and Transportation Sub-Committee on the Planning Process
Employee and Labour Relations Committee
Community Services Grants Appeal Sub-Committee
Steeles Avenue Sub-Committee
Works Committee SSO Sub-Committee
Works Committee Community Partnership Committee on Stormwater Management

Sub-Committees to the Board of Health

- AIDS Prevention Grants Review Panel
- Animal Services Advisory Committee
- Budget Sub-Committee
- Drug Prevention Grants Review Panel
- Nominating Sub-Committee
- Substance Abuse Sub-Committee
- TB Sub-Committee

Group C: Roundtables:

Roundtable on a Beautiful City
Roundtable on Arts and Culture
Roundtable on Seniors
Roundtable on Access, Equity and Human Rights
Roundtable on the Environment
Roundtable on Education, Children and Youth

Group D: Agencies, Boards and Commissions:

Toronto Zoo, Board of Management
Metro Toronto Pension Plan, Board of Trustees
Metro Toronto Police Benefit Fund, Board of Trustees
Toronto Atmospheric Fund
York Employees Pension and Benefit Fund Committee
Hummingbird Centre for the Performing Arts
Toronto Economic Development Corporation Board

Group E: Other Advisory Bodies

Bid Committee
Film Board
Task Force to Bring Back the Don

Disability Issues Committee
Toronto Pedestrian Committee
Toronto Cycling Committee
Property Standards Committee
Etobicoke-York Property Standards Panel
North York Property Standards Panel
Scarborough Property Standards Panel
Toronto and East York Property Standards Panel
Food and Hunger Action Committee
Homes for the Aged Advisory Committee
Tenant Defence Sub-Committee
e-City Committee
Aboriginal Affairs Committee
Parc Downsview Park Operating Protocol Committee
Toronto Centre for the Arts Advisory Committee
Lakeshore-Gardiner Corridor Task Force

Attachment B

Policy Requiring a City Clerk's Impact Statement
for Proposed New Committee and Advisory Bodies
Established by Council

1. Prior to the Establishment of any Standing Committee, special Committee, Task Force, Advisory Committee or Sub-Committees by City Council, the City Clerk shall issue a City Clerk's Impact Statement setting out:
 - (a) the appropriateness of Secretariat meeting support being provided;
 - (b) whether a formal appointment process is required for membership to the Body, through the Striking or Nominating Committee;
 - (c) estimated costs of the provision of meeting management and nomination secretariat services of the proposed body and whether those costs can be accommodated within the City Clerk's Office Workplan and Budget or, if the costs cannot be accommodated within the City Clerk's Office Workplan and Budget, additional resources have been approved by City Council or will be obtained through a service agreement with the Division or Agency, Board or Commission;
 - (d) that the provisions of Section 108 of Chapter 27, of the Municipal Code, Council Procedures are satisfied and that Terms of Reference have been submitted to City Council setting out:
 - (i) The matters to be dealt with;
 - (ii) A reporting date and a sunset date, beyond which Council approval is required for its continuation;

- (iii) The membership;
 - (iv) The standing committee to which the special committee, task force, advisory committee or sub-committee shall report to;
 - (v) The reason why the work cannot be undertaken by an existing standing committee;
 - (vi) Identification of the staff and other resources required to support the work of the special committee, advisory committee, task force or sub-committee, and a determination that they are available within existing resources.
2. The City Clerk's Office not be required to provide meeting support services to any Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement to City Council prior its establishment.

(Communication dated January 11, 2006, addressed to the Budget Advisory Committee from the Administration Committee entitled "Status Report on Maintaining Services at East York Civic Centre")

Recommendation:

The Administration Committee recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (November 4, 2005) from the City Clerk and the Chief Corporate Officer.

Background:

The Administration Committee on January 5, 2006, considered the following:

- (i) report (November 4, 2005) from the City Clerk and the Chief Corporate Officer on the status of maintaining services at East York Civic Centre.

Recommendations:

It is recommended that:

- (1) that the intake of documents and payments for City Clerk's Office, Registry Services functions be assumed by Revenue Services Division immediately;
- (2) that the reception and information services at the East York Civic Centre, currently provided by Access Toronto, be assumed by the Revenue Services Division, once renovations to the building have been completed in the New Year;
- (3) that this report be referred to the Budget Advisory Committee for consideration with the City's 2006 Operating Budget; and

- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect hereto including the introduction of any necessary bills.
- (ii) communication (December 28, 2005) from Juanita Downey;
- (iii) communication (January 4, 2006) from Lorna Krawchuk; and
- (iv) communication (January 5, 2006) from Councillor Davis, submitting a petition signed by 147 community members, and copies of 66 e-mails she has received requesting that the current services at the East York Civic Centre be retained.

The following persons addressed the Administration Committee:

- Lorna Krawchuk, and filed a written submission;
- Nola McConnan;
- Donna-Lynn McCallum;
- Michael Prue, MPP; and
- Juanita Downey, and filed a written submission.

(Report dated November 4, 2005, addressed to the Administration Committee from the City Clerk and Chief Corporate Officer entitled "Status Report on Maintaining Services at East York Civic Centre")

Purpose:

At its meeting of October 26, 27, 28 and 31, 2005, City Council approved a notice of motion that directed:

- “(1) the Chief Corporate Officer report to the November meeting of the Administration Committee on options for maintaining all the services currently being offered at the East York Civic Centre by Facilities and Real Estate, including Access Toronto; and
- (2) the City Clerk report to the November meeting of the Administration Committee on options for maintaining all the services currently being offered at the East York Civic Centre by the City Clerk’s Office, including Registry services;

And be it further resolved that such reports also summarize plans for future changes to Access Toronto and Registry in-person customer service at the other civic centres in Toronto.”

Financial Implications and Impact Statement:

Funds in the amount of \$147,600.00 would be required annually to continue the staffing of Registry Services and Access Toronto Services at East York. Of this amount, \$10,200.00 will be required in 2005. The remaining amount of \$137,400.00 represents the incremental impact for the City’s 2006 Operating Budget. In addition, funds in the amount of \$1,000.00 have been incurred and absorbed within the Facilities and Real Estate’s 2005 Operating Budget.

The \$10,200.00 will be required to continue Registry Services at East York in 2005. No source of funds has been identified for this increase. The City Clerk has projected a year-end unfavourable variance for 2005 of \$545,700.00 and will not be able to absorb the additional costs within the 2005 Approved Operating Budget.

The remaining \$137,400.00 will need to be referred to the Budget Advisory Committee for consideration with the City's 2006 Operating Budget. The \$137,400.00 represents the incremental costs for the City Clerk's 2006 Operating Budget.

There are no financial impacts for Access Toronto. However, Access Toronto's resources are currently under-utilized in East York.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the intake of documents and payments for City Clerk's Office, Registry Services functions be assumed by Revenue Services Division immediately;
- (2) the reception and information services at the East York Civic Centre, currently provided by Access Toronto, be assumed by the Revenue Services Division, once renovations to the building have been completed in the New Year;
- (3) this report be referred to the Budget Advisory Committee for consideration with the City's 2006 Operating Budget; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect hereto including the introduction of any necessary bills.

Background:

The continual decline in registry revenues and the need to absorb lost revenue while service volumes increased resulted in a need to review the Legislative Services business unit in 2004. At its April 2004 meeting, City Council adopted Clause 2 of Report 3 (City of Toronto 2004 Budget Advisory Committee Recommended Operating Budget) which directed the City Clerk to

“(68) report back to the Administration Committee on the restructuring of the Legislative Services Unit, in time to incorporate and forward recommendations for consideration during the 2005 budget process.”

The City Clerk's Office complied with Council's request and in 2004 undertook the “Public Service Delivery Project” to determine the best organizational alignment of the City Clerk's Office for the delivery of direct services to the public and the management of its operations in the Civic Centres. The foundation for the guiding principles of the Public Service Delivery Project was Council's Four District Model. At a Special Meeting held on July 30, 31 and

August 1, 2002, Council adopted Clause 2 of Report 10 of the Administration Committee (Four District Model for City Public Services) which provided for:

“(1) the delivery of district services be affirmed at the following locations:

South District: City Hall-Metro Hall;
East District: Scarborough Civic Centre;
North District: North York Civic Centre; and
West District: Etobicoke Civic Centre,

with satellite public counter services being provided in the South and West Districts at the East York and York Civic Centres, respectively”.

In September 2005, the Budget Advisory Committee received a report summarizing the cost savings realized through the implementation of the Public Service Delivery Project. The details of the Public Service Delivery Project will be discussed further in this report.

Since the execution of the Public Service Delivery Project, revenues have continued to decline in the City Clerk's Office. The City Clerk's Office has attempted to manage the loss internally by undertaking a number of cost containment measures. These measures have required staff, particularly those employed in governance areas such as Secretariat, to complete more work with fewer staff and resources. A report outlining the budgetary difficulties faced by the City Clerk's Office was also submitted to the September 2005 Budget Advisory Committee.

Due to budgetary pressures, both the City Clerk's Office and Corporate Communications have had to re-examine the methods in which services were provided across the City. The remainder of this report will outline the rationale for the reduction of the provision of Registry Services at the East York Civic Centre and the transfer of Access Toronto in-person counter service to Revenue Services staff at the East York Civic Centre.

Comments:

A. City Clerk's Office – Registry Services:

The primary function of Registry Services is to provide services relating to vital statistics, marriage licences, assessment information and lottery and gaming licenses.

In accordance with the directive from Council in 2004, the City Clerk's Office established the Public Service Delivery Project to determine the most efficient organizational alignment of the City Clerk's Office for the delivery of direct services to the public, the management of its operations in the Civic Centres and endeavour to resolve budget pressures in other areas of the City Clerk's Office. The objectives of the Public Service Delivery Project were to:

- identify for the City Clerk's Office an improved public service delivery model that took into consideration the declining revenues and workload inequities within Legislative Services as well as the continuing budget pressures within the City Clerk's Office;

- prepare for the impact of the Ontario Vital Statistics Improvement Project (ONVIP) under which it is anticipated that the Provincial Government will assume responsibility for the electronic registration of births and deaths throughout Ontario by 2007;
- examine the external environment (e.g., gaming industry) in which the City Clerk's Office operates;
- assess the City Clerk's current lack of harmonized business processes and future performance and managerial requirements in the Civic Centres;
- develop and evaluate organizational and structural alternatives that best service the delivery of direct public services and ensure effective management of the City Clerk's Office services and demands at the Civic Centres using models approved by Council (such as the Four District Model); and
- respond to declining staff morale resulting in an increasing number of union grievances, due in part to the narrowness and repetitiveness of the jobs.

Starting in May 2004, the project team, including a City Management Consultant, conducted extensive internal and external consultations, including 18 staff meetings, three focus groups, a survey questionnaire, five communication bulletins, comments via e-mail and meetings with Members of Council. Discussions were also held with external stakeholders of Registry Services to obtain their opinion on the level of service provided, including Alcohol and Gaming Commission of Ontario (AGCO), the Registrar General of Ontario (RGO), representatives of the gaming industry as well as a survey to the public.

These consultations confirmed several issues in Registry Services including:

- a reduction in overall gaming revenues;
- a reduced workload – staffing at 40 out of 44 FTE's;
- vital statistics trends demonstrate some fluctuation;
- introduction by the Province to upload birth registrations in 2007;
- low staff morale and burnout;
- preparation for the transition to a 3-1-1 customer service model;
- inequities in work volumes with extremely high workloads in Toronto, North York and Scarborough and extremely low workloads in East York, York and Etobicoke; and
- need to examine centralizing of back-room functions (processing of gaming licenses and vital statistics, i.e., birth and death registrations and marriage licences).

Based on the data collected and analyzed from the research, focus groups and external consultations, the following business decisions were made by the Steering Committee and approved by the City Manager in December 2004:

- legislative Services and Elections will merge into one unit;
- the Legislative staff located at the East York and York Civic Centres would be relocated to one of the other four district offices;
- specific functions will be centralized (gaming at Toronto City Hall and birth registrations at the Etobicoke Civic Centre);

- no current staff members in Local 79 would be downsized; and
- harmonization of services and policies in the four locations is a priority.

Consolidation of Legislative Services with Elections was recommended to create a front line public service contact point to the City Clerk's Office as it best met the objectives and the realities of the workload distribution, public demand for services and budget pressures. From a staffing perspective, the new organization structure for Elections and Registry Services created a new unit with 37 FTE's: four management/excluded and 33 Union positions.

Implementation of the new service model occurred over the course of 2005. The following is a summary from the Public Service Delivery Project's Implementation Plan (black bullets indicate completed tasks);

Step One: Outline Implementation Plan Internally (December 2004 – January 2005)

- (i) presentation to City Clerk's Office Directors and Managers (December 8, 2004); communicate with Local 79 on change and timing;
- (ii) communication to staff from Steering Committee of change and timing;
- (iii) meet with East York and York Councillors to outline date of closure of services;
- (iv) finalize date of transition; and
- (v) begin initial transition to new Unit (January 2005).

Step Two: Communicate Implementation Plan (January 2005)

- (i) consult with Local 79 on final implementation plan;
- (ii) conduct meetings with staff regarding transition and timing; and
- (iii) communicate with Corporation and stakeholders on new Unit name and transition date.

Step Three: Establish New Management Structure (February – March 2005)

- (i) finalize the new management job descriptions in consultation with Human Resources;
- (ii) hire new management team; and
- (iii) conduct a City-wide cultural transformation so that all understand the new Unit is the "City Clerk's Public Service Arm".

Step Four: Harmonization of Services, Policies and Procedures (April – June 2005)

- (i) document current policies and procedures;
- (ii) determine best practices and harmonized business processes;
- (iii) re-engineer processes so that all locations reflect best practices; and
- (iv) provide for staff retraining/learning new skills.

Step Five: Centralization of Services (June – November 2005)

- (i) meet with all affected Councillors over closure of East York and York offices;
- (ii) develop service level agreement with Revenue Services to accommodate service reduction at York and East York Civic Centres;
- (iii) centralize gaming services (in conjunction with City Clerk's MAP program);

- (iv) centralize birth registration in Etobicoke;
- (v) prepare new staff job descriptions; and
- (vi) explore 3-1-1 initiative and other City Clerk's Office restructuring exercises and possible impacts to the new business unit.

Step Six: Training and Development (June through December 2005)

- (i) provide staff with the necessary training to ensure all locations provide an excellent level of customer service and that best practice policies and procedures are being followed;
- (ii) provide staff with developmental opportunities to expand their areas of expertise and enhance their skill sets; and
- (iii) preparation for the 2006 municipal election and introduction of increased service levels from the four Civic Centres.

In accordance with the City's Collective Agreements with Local 79, all staff were appropriately notified of impending relocations. As of November 1, 2005, all staff moves were completed including the centralization of birth registration in Etobicoke. The exception to this relocation process was that the staff member from East York was not yet transferred to North York. That transfer was to occur on November 1, 2005.

To ensure services would continue to be provided from the East York Civic Centre the City Clerk's Office entered into a service level agreement with Revenue Services. The partnership provides for a minimum level of customer assistance for the following services: intake and payment of Registry documents; monitoring online Assessment database inquiries; provision of forms; and response to basic Registry Services enquires. The partnership approach also supports a coordinated and cooperative cross-trained front line service, a step towards the 3-1-1 service model.

In the course of conducting the Public Service Delivery Project, the City Clerk's Office considered maintaining an employee on a part-time basis at the East York Civic Centre. The part-time model was not determined to be optimal due to: difficulties arising from the individual having an insufficient workload (best case scenario less than one and a half hours of work a day); the unpredictability of the nature of the work (the public can walk in at any time); and the part-time option does not fit into the four district model (requires that a resource is taken from one of the other locations resulting in a decreased level of customer service at busier Civic Centres).

If the City Clerk's Office is to provide a hybrid option in which the East York Civic Centre operates under a decentralized service delivery model, two additional staff members would be required. The staff member from the East York Civic Centre was reassigned to assist in processing birth registrations out of Etobicoke. Returning that individual to their original position would result in a reduction in staffing levels which will lead to an increased backlog of birth registrations should no additional resources be allocated. Additionally, the approved model reduced four managers to one manager and two supervisors, if it is now necessary to manage a decentralized model an additional supervisor position would be required.

B. Corporate Communications – Access Toronto:

To clarify, Access Toronto is a unit of Corporate Communications, not Facilities and Real Estate. The current levels of maintenance and security services provided by the Facilities and Real Estate Division will not be affected by the proposed interior renovations to the East York Civic Centre.

As part of the Customer Service Improvement Initiative, staff in a number of divisions, including Corporate Communications, have researched and developed innovative solutions to delivering customer service more efficiently.

One outcome of this initiative was the idea of “integrated counter service”. With an integrated counter service, partnerships are formed so that staff in different divisions are cross-trained to deliver services not normally provided by their division. For example, staff in the Revenue Services Division at York Civic Centre also complete in-person registrations for Parks and Recreation programs. In addition, at the York Civic Centre, Court Services staff trained on the Access Toronto Knowledge Base provide the reception and information services formerly provided by Access Toronto. This integrated counter service has worked successfully at the York Civic Centre for the past year and a half. These partnerships across divisions ensure that the public is served as efficiently as possible and provide the basis for the single access service delivery model proposed through the 3-1-1 Customer Service Strategy.

Due to the success of the integrated counter service model at the York Civic Centre, a similar approach is being undertaken at the East York Civic Centre. Starting in the spring of 2006, staff in Revenue Services will be provided training on the Access Toronto Knowledge Base so that they can respond to any general inquiries about City services and programs. Staff will also continue to ensure that City publications and other City-produced information materials are displayed at East York. The proposed East York Civic Centre renovation plans include an improved area for brochures and other display material.

Corporate Communications staff are confident that this integrated counter service model will work as well at the East York Civic Centre as it has at the York Civic Centre.

The option to keep one Access Toronto staff member on site at East York, as is currently the case, is not necessary to ensure delivery of customer service. In addition, minimal Access Toronto activity does not fully utilize the individual’s time. Due to the small number of visitors to this location that require general information about City services and programs, the staff person works virtually full-time as a Call Centre agent. But, as a Call Centre agent without a supervisor or colleagues, the employee is at a distinct disadvantage to her peers. The employee is not able to benefit from the formal and informal learning that takes place among colleagues nor is she able to benefit from coaching or other feedback from her supervisor. Moreover, as Access Toronto staff are required to participate in frequent (approximately once a month) information briefings about new City initiatives, there is a great deal of lost work time incurred when the employee is required to travel to other locations to attend briefings or training sessions with her supervisor and colleagues.

The benefits of having all Call Centre agents at one location are well documented (the City plans to move to one location for its 3-1-1 Call Centre). The intent is to transfer the one Access Toronto employee from East York to the Access Toronto Call Centre team at the Scarborough Civic Centre once renovations are underway at the East York Civic Centre in the New Year.

Any future changes to Access Toronto in-person service at other civic centres will be considered as part of the overall 3-1-1 customer service plan. It is anticipated that an integrated counter model will be considered for other locations as well, but planning for the in-person component of 3-1-1 customer service is still in the infancy stages. Any significant changes to Access Toronto counters at other civic centres will be submitted to Council for approval as part of the long-term 3-1-1 Customer Service Plan.

Conclusions:

Responding to the direction of City Council to review vital statistics service provision and better align resources to accommodate budgetary pressures, the City Clerk's Office underwent a thorough restructuring process which culminated in the merger of Elections and Registry Services. By aligning Elections and Registry Services with the Council-approved Four District Model, the City Clerk's Office has been able to address declining revenues, improve staff morale, and comply to provincial regulations in a more consistent manner. Most of the services that used to be offered by Registry Services at the East York Civic Centre will continue to be provided through Revenue Services. Dismantling the year long implementation of the Public Service Delivery Project would negate the benefits realized through the restructuring and would require the addition of two full-time staff so that a decentralized East York model can be accomplished.

The Integrated Service Counter at the East York Civic Centre is the ideal solution for Access Toronto to ensure that members of the East York community continue to have in-person access to information about City services and programs at the East York Civic Centre. The plan also promotes inter-divisional cooperation, cross-training of staff and ensures that customer services are delivered as efficiently as possible.

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(Communication dated January 5, 2006, addressed to the
Administration Committee from Councillor Janet Davis)

Please find attached a package of communications regarding the proposed cuts to services at the East York Civic Centre.

I have attached a petition signed by 147 community members, and copies of 66 e-mails I received requesting that the current services at the East York Civic Centre be retained.

I hope these letters help you better understand the feeling among residents in my ward regarding the services discussed in this report.

(Communication dated November 9, 2005, addressed to the Budget
Advisory Committee from the Administration Committee entitled
“2006 Operating Budget Requests – Additional Staff Resources to
Manage Assessment and Taxation Issues and Converting Two Litigation
Solicitors Positions from Temporary to Permanent”)

Recommendation:

The Administration Committee recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (October 31, 2005) from the Treasurer and City Solicitor and the report (November 2, 2005) from the City Solicitor.

Background:

The Administration Committee on November 7, 2005 considered the following:

- (i) report (October 31, 2005) from the Treasurer and City Solicitor seeking authority to increase the City's staff complement by six full-time staff positions (five for the Revenue Services Division and one for the Legal Services Division) commencing in 2006 at an estimated gross cost of \$476,900.00 per year, to be fully funded by a reduction in the City's Non Program Tax Deficiency budget. The additional staff resources are required to adequately manage the increasing demand and workload related to assessment and taxation matters and to act on appeals filed to the Assessment Review Board (ARB) and the Payment-in-Lieu of Taxes Dispute Advisory Panel.

Recommendations:

It is recommended that:

- (1) gross expenditures of \$476,900.00 (to cover the cost of five additional staff for Revenue Services and an inter-department charge from Legal Services for one additional solicitor) be included in the Revenue Services Division's 2006 Operating Budget Estimates, and that the funding for this expenditure be

recovered as an interdepartmental recovery from the City's Non-Program Tax Deficiency Budget resulting in a net expenditures of \$0.00 for the Revenue Services Division;

- (2) gross expenditure of \$92,000.00 (to cover the cost of one staff for Legal Services) be included in the Legal Services Division's 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an inter-departmental recovery from Revenue Services resulting in a net expenditure of \$0.00 for the Legal Services Division;
 - (3) an inter-divisional charge of \$476,900.00 be included in the 2006 Operating Budget Estimates for Non-Program Tax Deficiency Budget to fund the expenditures noted above;
 - (4) the 2006 Operating Budget Estimates for the Non-Program Tax Deficiency Budget be reduced by \$2.5 million, provided the Revenue Services Division Operating Budget for 2006 is increased by the requested \$476,900.00;
 - (5) this report be forwarded to the Budget Advisory Committee; and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- (ii) report (November 2, 2005) from the City Solicitor seeking authority to convert two litigation solicitor positions from temporary to permanent commencing in 2006.

Recommendations:

It is recommended that:

- (1) the two litigation solicitor positions be converted from temporary to permanent;
- (2) this report be forwarded to the Budget Advisory Committee; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated October 31, 2005, addressed to the
Administration Committee from the Treasurer and City Solicitor, entitled
"2006 Operating Budget Request – Additional Staff Resources
to Manage Assessment and Taxation Issues")

Purpose:

To seek authority to increase the City's staff complement by six full-time staff positions (five for the Revenue Services Division and one for the Legal Services Division) commencing in 2006 at an estimated gross cost of \$476,900.00 per year, to be fully funded by a reduction in the City's

Non-Program Tax Deficiency budget. The additional staff resources are required to adequately manage the increasing demand and workload related to assessment and taxation matters and to act on appeals filed to the Assessment Review Board (ARB) and the Payment-in-Lieu of Taxes Dispute Advisory Panel.

Financial Implications and Impact Statement:

In order to fund the required staff, it is estimated that the Revenue Services Division's gross annual operating budget will increase by \$476,900.00. This gross expenditure increase will provide for five staff within the Revenue Services Division at an estimated cost of \$384,900.00 per year and an inter-departmental charge from the Legal Services Division of \$92,000.00 per year to cover the cost for one additional solicitor.

Staff estimate that if the six additional staff resources are approved, the City will minimize any unjustified erosion of its assessment base, thus enabling a reduction in its annual Tax Deficiency Budget (i.e., the budget that funds the processing of tax reductions resulting from successful assessment appeals) of \$2.5 million per year, for an overall net savings to the Corporation of \$2.0 million (\$2.5 million reduction less \$0.5 million to fund the cost of the six additional staff).

In addition, the staff resources recommended in this report will work to maximize the City's general taxation revenues by aggressively pursuing assessment issues with the Municipal Property Assessment Corporation (MPAC).

Recommendations:

It is recommended that:

- (1) gross expenditures of \$476,900.00 (to cover the cost of five additional staff for Revenue Services and an inter-department charge from Legal Services for one additional solicitor) be included in the Revenue Services Division's 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from the City's Non-Program Tax Deficiency Budget resulting in a net expenditures of \$0.00 for the Revenue Services Division;
- (2) gross expenditure of \$92,000.00 (to cover the cost of one staff for Legal Services) be included in the Legal Services Division's 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an inter-departmental recovery from Revenue Services resulting in a net expenditure of \$0.00 for the Legal Services Division;
- (3) an inter-divisional charge of \$476,900.00 be included in the 2006 Operating Budget Estimates for Non-Program Tax Deficiency Budget to fund the expenditures noted above;
- (4) the 2006 Operating Budget Estimates for the Non-Program Tax Deficiency Budget be reduced by \$2.5 million, provided the Revenue Services Division Operating Budget for 2006 is increased by the requested \$476,900.00;
- (5) this report be forwarded to the Budget Advisory Committee; and

- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting held on April 19, 20, 21, 22, 23, 26, 27 and 28, 2004, City Council, in adopting as amended Clause 2 of Report 3 of the Policy and Finance Committee, headed “City of Toronto 2004 Budget Advisory Committee Recommended Budget” requested that the Chief Financial Officer and Treasurer report to the Budget Advisory Committee prior to the 2005 Budget process, on a strategy to defend the City’s assessment base, such report to include a business case for adjusting resources to this area.

In response to the aforementioned motion, the Budget Advisory Committee at its meeting held on January 31, 2005 received a report (January 26, 2005) from the Chief Financial Officer and Treasurer advising that the Revenue Services Division was establishing an Assessment Analysis Unit through the realignment of three existing/internal staff positions to:

- (a) regularly review the assessment information/data provided by the Municipal Property Assessment Corporation (MPAC) to ensure that the data is accurate and up-to-date;
- (b) identify, monitor and participate in assessment appeals (following approval by Council) that, if successful, could significantly erode the City’s property assessment base and/or adversely change/impact the methodology used by MPAC in the assessment of certain property types; and
- (c) initiate assessment appeals or Requests for Reconsideration, with the approval of Council, for properties that staff identify as being significantly under-valued or mis-classified.

Late in 2005, three positions from within the Revenue Services Division’s existing staff complement and approved budget were redeployed to create the Assessment Analysis Unit (one Supervisor plus two staff positions). In addition, the City Solicitor redirected monies within its existing budget in order to retain a contract solicitor to meet the workload demand required to assist Revenue Services in negotiations with taxpayer’s lawyers; appearances before the Assessment Review Board (ARB); and the preparation of pleadings, motions, advice and opinions, and Minutes of Settlement related to proceedings before the ARB and the Payment in Lieu of Taxes Dispute Advisory Board.

The Revenue Services Division and Legal Services have identified a need for six additional staff resources to manage the increasing demands associated with participating in assessment and tax appeals, and actively reviewing the City’s assessment base to ensure its accuracy and to ensure that new and/or improved properties are assessed, and thus taxed, on a timely basis. The requested funding for the staff position in Legal Services allows for the continued provision of dedicated assessment and tax legal services in 2006 by the above-noted lawyer.

The cost of these additional resources will be more than offset by a decrease in the City’s Non Program Tax Deficiency Budget due to an anticipated reduction in the level of refunds/credits processed as a result of successful assessment and tax appeals.

Comments:

The work undertaken thus far by the Assessment Analysis Unit of the Revenue Services Division, as well as a number of Council resolutions directing staff to participate in large assessment appeals in an effort to protect the City's assessment base from unwarranted erosion, have led the Revenue Services Division and Legal Services Division to conclude that a need exists for at least six additional staff resources. In general, these staff will help manage the increasing demand stemming from assessment and taxation related appeals and other related issues. More specifically, the additional resources are required to:

(a) Expand and Extend the Scope of the Work Undertaken by the Assessment Analysis Unit

Part of the function of the Assessment Analysis Unit established in the later half of 2004 is to regularly review the assessment information/data provided by MPAC to ensure that the data is accurate and up-to-date. As part of this ongoing review, staff identify properties that have been returned on the assessment roll incorrectly (e.g., returned as exempt but should be taxable, returned as residential but should be commercial, assessed significantly lower than what similar properties are selling for, etc.). Based on the limited number of staff resources currently available, the review conducted thus far has been random and looks at the largest and most obvious discrepancies in year over year changes in assessment. Similarly, the review of the omitted/supplementary rolls received from MPAC during the year was limited to a small sampling. In 2005, staff provided MPAC with a list of over 9,000 residential and 2,000 non-residential properties, with supporting documentation, where staff's research indicated that the property may have been assessed incorrectly (for example, major renovations completed on a property are not reflected in the assessed value). Staff's efforts have resulted in more timely corrections via the supplementary/omitted assessment rolls.

In addition, staff's review and analysis of the Assessment Roll returned by MPAC for the 2005 taxation year, resulted in the City initiating 66 assessment appeals at the ARB seeking higher assessments. The ARB has yet to hear these appeals, but in some cases Minutes of Settlement have been initiated which are in fact resulting in higher assessments and improved revenues for the City.

Staff are confident that the additional resources being requested in this report will serve to expand the scope of the Assessment Analysis Unit and will also allow for a broader review and analysis of the City's assessment base.

(b) Improve the Flow of Information from the City to MPAC Permitting More Timely Omitted/Supplementary Assessments

Staff from the Assessment Analysis Unit have begun to work with other City Divisions, such as Planning and Building Services, to facilitate the flow of information regarding new construction, major renovations, severances, consolidations, re-zoning, plan subdivisions, and plan amendments. The staff resources requested in this report will be utilized to improve the quality of property information provided to MPAC and will

monitor MPAC to ensure that it in fact acts on the information provided to it by the City on a timely basis, thus allowing the City to bill any resulting tax revenues as quickly and accurately as possible.

(c) Participate in Assessment Appeals

Pursuant to Section 40 of the *Assessment Act*, the City is a statutory party to every complaint (appeal) that is filed to the ARB. However, the City does not participate in each and every appeal as to do so would require very significant staff resources and would duplicate the activities of MPAC, which are already paid for by the City. However, there are still many situations where it is appropriate and desirable for the City to take an active role in an appeal to protect the City's assessment base.

At this time, there are approximately 35,000 appeals scheduled to be heard at the ARB. The majority of these accounts are non-residential (i.e. commercial, industrial and multi-residential properties). The City receives on a weekly basis approximately 50 Statements of Issues from taxpayers who have launched assessment appeals with the ARB in an attempt to have the assessment assigned to their property reduced. Staff should be reviewing these Statements of Issue to discern the quantum of the assessment at risk and to decide whether the City's active participation in the appeal process is warranted. However, due to limited staff resources, this review is currently not being undertaken. It is in the City's interest to direct resources to address the concern noted above.

Furthermore, the City intends to play a greater role in relation to those appeals that may have a significant financial impact or in those appeals that may result in a "domino-like" effect impacting the valuation of other properties. As an example, if an appellant succeeds in challenging MPAC's valuation methodology on a property and the assessment is reduced; many other owners of similar properties might appeal, as well. The City must pay particular attention to such appeals in order to protect its assessment base and ensure equity in taxation.

To-date, Council has directed that the City participate in the following large appeals: Large Office Towers, Golf Courses, Toronto Port Authority properties and the CBC building. At its meeting of June 14, 2005, City Council adopted as amended Clause 10 contained in Report 6 of the Policy and Finance Committee, headed "Municipal Property Assessment Corporation, Request for Further Information" which requested the Deputy City Manager and Chief Financial Officer to submit a report to the Policy and Finance Committee on the criteria, methodology and costs of examining assessment appeals and deciding which appeals will come before Council for approval in order for the City to be an active participant in the appeal. Staff are currently in the process of establishing criteria that will guide them in determining if and when the City should participate in appeals filed with the ARB by property owners. A report regarding recommended criteria is currently being prepared and will be submitted to Policy and Finance Committee in the near future.

Involvement in the appeal hearing process is quite onerous. It requires extensive research, in-depth analysis and investigation, the compilation of extensive documentation to support the City's position before the tribunal, and often numerous meetings with representatives of the other parties for purposes of exchanging information and going through a formal discovery process.

In order to ensure that the City is well represented and prepared to defend its position at these hearings, it is imperative that Revenue Services and Legal Services dedicate adequate resources to support this function.

- (d) Initiate Assessment Appeals, as Directed by Council, to Correct Assessments that Have Either Been Significantly Under-Valued or Incorrectly Classified:

In those situations where the taxpayer is adversely affected by an incorrect assessment or property classification, property owners initiate an assessment appeal to correct the assessment roll. However, where the City is adversely impacted by the incorrect assessment data (e.g., the property is grossly under-assessed), taxpayers do not tend to initiate an appeal to correct the erroneous assessment. The result is that the City may be losing taxation revenue that can only be recouped if it initiates an appeal to correct the assessment.

For the 2005 taxation year, based on a very high level review of the assessment roll by Revenue Services staff, City Council has filed 66 assessment appeals with the ARB and staff are engaged in meetings and hearings with taxpayers, MPAC and the ARB. It is estimated that the 66 City's initiated appeals will result in higher assessment or tax classes that will net approximately \$2,000,000.00 of additional revenue to the City that would otherwise have been forgone.

As staff review various accounts, they often discover assessment issues or errors on accounts that already are under appeal (i.e., the appeal was launched by the taxpayer to seek a reduction in assessment). In these cases, the City has an opportunity to serve notice to the ARB that it is seeking a higher, more appropriate assessment and that it wishes to become an active participant in the appeal. Again, it is in the City's interest to dedicate staff to pursue higher assessments when appropriate and justified and where the opportunity permits such as in case where appeals have already been initiated by taxpayers.

- (e) Respond, and if appropriate Dispute, Appeals Launched by Taxpayers and the Treasurer with Respect to Calculation of Taxes:

Prior to the introduction of Current Value Assessment (CVA) in 1998, the calculation of property taxes for commercial, industrial and multi-residential properties was uncomplicated and transparent. Taxes were calculated by multiplying the assessment by the mill rate. Since 1998, many legislative changes have been introduced resulting in more complex and cumbersome calculations. Tax bills include both Current Value Assessment taxes (Assessment X Tax Rate) and an adjustment to those taxes (i.e., capping/claw-back). To arrive at the adjustment amount, multiple mathematical formulae must be applied.

In recognition of difficulties that may arise in the calculation of the property taxes, the provincial government has amended the *Municipal Act, 2001* (the “Act”) and introduced regulations permitting taxpayers and/or municipalities to initiate appeals/applications aimed at correcting errors in the calculation of “capped” or “clawed-back” property taxes for non-residential (i.e., commercial, industrial and multi-residential) properties.

The Revenue Services Division’s current structure did not contemplate these types of appeals and therefore is not able to accommodate them without impact to other service areas.

In total, the Revenue Services Division will be required to manage approximately 1,800 applications for the review of tax calculations. Although staff have already reviewed many of these accounts in the past and are confident that the calculations provided are correct, they must still prepare to present their position to the ARB. This preparation involves analyzing accounts, investigating issues and preparing/documenting detailed tax calculations. Given that most accounts must be reviewed from 1998 and onward and given that the method to calculate taxes has changed significantly since Current Value Assessment legislation was first introduced in 1998, the nature of the review and required documentation is complex and time consuming.

Given that the subject of the appeal is the calculation of capped and/or clawed-backed taxes on non-residential properties, and given the complexity of provincial legislation governing these calculations, it is imperative that Revenue Services staff, supported by the City Solicitor’s office, present its positions and support its calculations of the taxes under appeal. To not do so would result in significant, unjustified refunds to non-residential property owners/taxpayers.

The additional resources being requested in this report will assist in managing these appeals, preparing for the hearings, and expediting resolution of the issues that may arise in preparation of the hearings.

- (f) Review and Reconcile with MPAC and the Land Registry Office Site Addresses and Legal Description of Properties.

Staff have identified discrepancies between the site address and property description information returned on the Assessment Roll by MPAC and the actual addresses and description of properties based on land registry information or information provided by taxpayers. This issue often results in tax bills being mailed to incorrect addresses, delays in payment and customer frustration.

Operationally, the Division is incurring costs that could be avoided if preventative measures were put in place to minimize this issue. The Revenue Services Division currently does not have resources available to further explore this issue and identify and implement solutions. Part of the role of the expanded Assessment Analysis Unit will be to develop a plan aimed at improving the quality and accuracy of property descriptions and address information. Ensuring the quality of this data will also benefit other City Divisions requiring accurate property ownership and address data.

(g) Provide Legal Expertise and Support Revenue Services Staff:

Legal Services supports Revenue Services in legal matters related to taxation and assessment issues. As the workload of the Revenue Services Division increases due to the issues noted above, so does that of Legal Services in preparation to formally present and defend the City's position at various proceedings. Due to the increase in work volume stemming from City initiated appeals, appeals where Council directed staff to actively participate (i.e., Office Towers, and O. Reg. 399/03) and, appeals where staff recommend participation in taxpayer initiated appeals, Legal Services has had to provide short term assistance by re-directing monies from within its existing budget to retain a contract lawyer dedicated to tax and assessment appeals. It is anticipated that the workload demand will not abate and that an additional Solicitor (one FTE) is required to continue to prepare and defend the City's position at these hearings. In addition, Revenue staff rely heavily on staff from Legal Services to assist them in understanding complex taxation legislation and tax policy.

Financial Benefits Expected to Result Due to Increased Staff:

As noted above, the work of the Assessment Analysis Unit is strategically important to the City in that it assists in both maximizing the City's taxation revenue while also preserving its assessment base from unwarranted erosion. Given that the unit is still relatively new and staff have only just begun to undertake the work required, complete results are not yet available. However, it is important to note that of the 66 accounts appealed by the City thus far, early indications are that MPAC will support the City's position in most cases at the ARB. If the additional staff requested in this report are approved, the City will be in a position to participate in a larger number of appeals and to work more closely with MPAC and other City Divisions in ensuring the quality of the City's assessment base, thus maximizing the City's taxation revenues and minimizing the level of tax refunds processed each year as a result of large assessment appeals.

In addition, the tax consulting community is beginning to take note of the City's position with respect to protecting its assessment and it is expected that this will minimize unnecessary or inappropriate appeals in the future.

Table 1, below, estimates the anticipated financial benefit of retaining the additional resources recommended in this report.

Table 1:
Financial Benefits of Retaining Additional Assessment and Taxation Staff

	Estimated Financial Benefit (Annualized)
Impact of City's participation in large assessment appeals before the ARB	\$ 2.0 million
Impact Resulting from an annual review and analysis of the City's assessment bases/rolls to ensure the quality of the assessment data	\$2.0 million
Cost of Six Additional Staff Resources	(\$0.5 million)
Net Financial Benefit	\$3.5 million

Given the financial benefits associated with the retention of the six new resources, staff are recommending a reduction in 2006 Tax Deficiency Budget of \$2.5 million. In future years, additional reductions may be recommended based on the work of the enhanced Assessment Analysis unit.

Conclusions:

The work demand of both the Revenue Services Division and Legal Services continues to grow as the City attempts to implement processes aimed at defending its assessment base. In addition, legislative changes in relation to appealing tax calculations have created additional demands on staff that cannot be accommodated from within existing staffing levels.

In total, the Revenue Services Division requires five staff to address the issues discussed in this report. To keep up with the current and anticipated workload of the Revenue Services Division, Legal Services is also requesting one additional solicitor position. This position would allow for the continuation of dedicated assessment and tax legal services currently provided by a short-term contract lawyer who was retained as a result of an immediate need to deal with the increased volume of work in this area. It is anticipated that the staff costs associated with these six FTE's will be more than offset by the revenue that will either be preserved due to the City's participation in appeals or generated as a result of the City successfully appealing valuations or classifications of properties.

Contacts:

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Carmela Romano, Manager, Property Taxation and Assessment,
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(Report dated November 2, 2005, addressed to the
Administration Committee from the City Solicitor)

Purpose:

To seek authority to convert two litigation solicitor positions from temporary to permanent commencing in 2006.

Financial Implications and Impact Statement:

There is no budget impact from converting the two temporary litigation positions to permanent positions. The salaries and benefits approved in the 2005 budget for two temporary solicitor positions were based on the salaries and benefits of permanent solicitors. As is set out in this report, the salaries and benefits budgeted are fully covered by internal billings to the Insurance

Reserve Fund. Handling an increased volume of insurance defence work internally actually results in a savings to the City as the costs of an internal solicitor are lower than the billing rates charged by outside counsel for insurance defence work.

Recommendations:

It is recommended that:

- (1) the two litigation solicitor positions be converted from temporary to permanent;
- (2) this report be forwarded to the Budget Advisory Committee; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of February 1-3, 2005, City Council requested the City Solicitor to report back to the Administration Committee at the end of 2005 outlining the savings and costs that have been realized as a result of hiring two new Insurance Claims Defence Lawyers for litigation.

Comments:

The insurance claims defence work is handled by both internal solicitors in the litigation practice groups and by six outside counsel firms approved by City Council. In conjunction with arrangements made with the Insurance and Risk Management Group, the volume of insurance claims defence work being handled internally has increased. The litigation practice groups use a docketing system by which they bill the Insurance and Risk Management Group for the legal work on claims defence files. The additional internal billings for insurance claims defence work will cover the salaries and benefits for the two solicitor positions. The total cost for these two lawyers is estimated to be \$255,000.00.

The internal lawyers handle approximately 30 percent of the total claims defence work and charge rates that are lower than external counsel. The internal chargeback amount is still a small percentage of the overall insurance legal defence costs paid for from the insurance reserve fund.

The increase in the Small Claims Court monetary limit to \$10,000.00 has resulted in additional claims at the Small Claims Court, which matters are handled by junior solicitors. It is cost effective for the City to be handling a greater percentage of this work internally. In addition, internal lawyers have acted on certain new large claims defence litigation files such as the SARS Class Action and the Uptown Theatre Collapse. The internal solicitors handling the claims defence work have developed expertise and familiarity with the work such that it is being done effectively and efficiently.

With the additional two lawyers, more work can be done inside at a reduced cost to the City. As set out above, this will not increase the Legal Division's overall budget as the increased expenses will be offset by the increased recovery from the billings to the Insurance Reserve Fund. If this work was not done internally, it would have to be sent to the external solicitors resulting in an

increased cost to the City. Below is a chart comparing the internal billing charges with external hourly rates charged by the outside counsel firms.

	Internal Charges Per Hour	External Charges Per Hour
Lawyer 1-6 years	\$106.00	\$175.00 - \$230.00 (average \$202.50)
Lawyer 6-10 years	\$123.00	\$230.00 - \$280.00 (average \$255.00)
Lawyer 10 years and over	\$181.00	\$280.00 - \$350.00 (average \$315.00)

On average, external billing rates for claims defence work are \$120.00/hour higher. If an internal lawyer bills 1,300 hours to claims defence files per year, the annual savings for one lawyer would be \$156,000.00 to the City. Accordingly, the increase in complement of two litigation solicitors will not result in an increase in expenditure to the Legal Division's Budget but also should result in a savings to the City of approximately \$312,000.00 which more than offsets the costs of the two lawyers.

By way of example, the City achieved substantial savings in connection with the SARS Class Action litigation. This litigation was handled by two senior litigation lawyers and one of the temporary litigation solicitors who received his call to the bar in 2004. The City achieved an excellent result and obtained a Court Order at an early stage of the litigation dismissing the class action claim against the City of Toronto. Below is a chart listing the actual hours spent on the litigation by internal City lawyers with the estimated costs the City would have incurred had the file been handled by external counsel using similar resources.

SARS Class Action Litigation

Internal Billings	Minimum Estimated External Charges
Senior Solicitor Hours of 554 x \$181.00	Senior Solicitor hours of 554 x \$315.00
Total = \$100,274.00	Total = \$174,510.00
Junior Solicitor Hours of 195.1 x \$106.00	Junior Solicitor Hours of 195.1 x \$202.50
Total \$20,680.60	Total \$39,507.75
Total Charges \$120,954.60	Estimated Total Charges \$214,017.75

It is estimated that on this one file alone, the City saved approximately \$100,000.00 by handling the claims defence work internally.

Conclusion:

It is recommended that the two litigation positions be converted from temporary to permanent. There is no budget impact as the salaries and benefits will be covered by internal billings to the Insurance Reserve Fund.

Contact:

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(Communication dated January 20, 2006, addressed to the
Budget Advisory Committee from the Board of Health
entitled “Public Health Agency of Canada Funding for a
‘Skills Building Workshop: The Impact of Crack Smoking and
Crystal Methamphetamine Use on Hepatitis C
Transmission of Drug Users in Ontario’”)

Recommendations:

The Board of Health recommended to the Budget Advisory Committee that the Budget Advisory Committee adopt the staff recommendations in the Recommendations Section of the report (January 4, 2006) from the Medical Officer of Health, as follows:

- (1) the Medical Officer of Health be authorized to receive up to \$68 thousand of one time 100 percent federal funding to develop a Skills Building Workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine for staff of Ontario Needle Exchange Programs and other relevant staff;
- (2) an amount of \$68.0 thousand gross and \$68.0 thousand in federal funding revenue be added to the 2006 Toronto Public Health Operating Budget to support the development of the Skills Building Workshop;
- (3) the report (January 4, 2006) from the Medical Officer of Health, be considered by Budget Advisory Committee in the 2006 Budget process; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Action taken by the Committee:

The Board of Health endorsed the staff recommendations in the Recommendations Section of the report (January 4, 2006) from the Medical Officer of Health.

Background:

The Board of Health on January 19, 2006, considered the report (January 4, 2006) from the Medical Officer of Health, seeking approval to receive one-time funding confirmed from the Public Health Agency of Canada to organize and deliver a workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine in partnership with the Ontario Needle Exchange Coordinating Committee.

Recommendations:

It is recommended that:

- (1) the Medical Officer of Health be authorized to receive up to \$68 thousand of one time 100 percent federal funding to develop a Skills Building Workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine for staff of Ontario Needle Exchange Programs and other relevant staff;
- (2) an amount of \$68.0 thousand gross and \$68.0 thousand in federal funding revenue be added to the 2006 Toronto Public Health Operating Budget to support the development of the Skills Building Workshop;
- (3) this report be forwarded to Budget Advisory Committee for consideration in the 2006 Budget process; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated January 4, 2006, addressed to the Board of Health
from the Medical Officer of Health)

Purpose:

This report seeks approval to receive one-time funding confirmed from the Public Health Agency of Canada to organize and deliver a workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine in partnership with the Ontario Needle Exchange Coordinating Committee.

Financial Implications and Impact Statement:

The Public Health Agency of Canada has approved the allocation of \$68 thousand in 2005-2006 to Toronto Public Health to organize and offer a skills building workshop for managers and outreach staff at needle exchange programs and other programs working with drug users in Ontario.

Approval of this report will result in a one-time increase to the 2006 Operating Budget of \$68.0 thousand gross, fully offset by a \$68.0 thousand increase in federal funding confirmed from the Public Health Agency of Canada. The net impact to the 2006 Operating Budget will be \$0.0. These funds have not been included in the 2006 Proposed Operating Budget.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the Medical Officer of Health be authorized to receive up to \$68 thousand of one time 100 percent federal funding to develop a Skills Building Workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine for staff of Ontario Needle Exchange Programs and other relevant staff;
- (2) an amount of \$68.0 thousand gross and \$68.0 thousand in federal funding revenue be added to the 2006 Toronto Public Health Operating Budget to support the development of the Skills Building Workshop;
- (3) this report be forwarded to Budget Advisory Committee for consideration in the 2006 Budget process; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

This project is being submitted by the Ontario Needle Exchange Network which represents needle exchange programs in Ontario. Funding has been received to organize a conference/workshop for managers and outreach staff at needle exchange programs and IDU Outreach Workers throughout Ontario in 2006 (see Appendix 1).

Comments:

The types of illicit drugs used in Ontario and how they are used is constantly changing. It is imperative that staff working in agencies serving drug users have the most recent knowledge about the drugs used, their health effects, and ways to reduce harm and prevent the transmission of communicable disease, including Hepatitis C.

This working meeting will provide participants with an opportunity to learn about crack and crystal methamphetamine, how they are used and the particular concerns they present when working from a harm reduction perspective. Participants will also learn about Canadian and international approaches, programs and resources. The intent is that participants will return to their communities better prepared to prevent the harms associated with drug use in particular, crack and crystal methamphetamine and that they will be able to pass this information on to their clients.

The conference is being organized by regional representatives of Ontario needle exchange programs who will bring the various regional concerns and trends to the agenda for the conference. Toronto Public Health is acting as the sponsoring organization for the funding.

Conclusion:

This report summarizes the request for a budget adjustment to reflect one-time 100 percent federal funding confirmed from the Public Health Agency of Canada to organize and offer a “A Skills Building Workshop: The Impact of Crack Smoking and Crystal Methamphetamine Use on Hepatitis C Transmission for Drug Users in Ontario”. This report seeks approval from the Board of Health and City Council for an adjustment to the 2006 Public Health Operating budget and corresponding authority to disperse these funds.

Contacts:

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Associate Medical Officer of Health,
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Attachment: Appendix 1: - Letter dated October 13, 2005 from Public Health Agency of Canada approving the proposal for “A Skills Building Workshop: The Impact of Crack Smoking and Crystal Methamphetamine Use on Hepatitis C Transmission for Drug Users in Ontario”

(A copy of Appendix 1 referred to above was forwarded to all Members of Council and is on file in the Office of the City Clerk.)

(Communication dated January 17, 2006, addressed to the Budget Advisory Committee from the Economic Development and Parks Committee, entitled “Harbourfront Centre – Renewal of Operating Grant (Ward 20 Trinity-Spadina))

Recommendation:

The Economic Development and Parks Committee recommended to the Budget Advisory Committee that City Council adopt staff recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (December 14, 2005) from the General Manager of Parks, Forestry and Recreation.

Background:

The Economic Development and Parks Committee on January 16, 2006, considered a report (December 14, 2005) from the General Manager of Parks, Forestry and Recreation, reporting on the renewal of the annual operating grant to Harbourfront Centre for the period of April 1, 2006 to March 31, 2007.

Recommendations:

It is recommended that:

*

- (1) the Economic Development and Parks Committee renew the annual grant commitment of \$750,000.00 to Harbourfront Centre for one year from April 1, 2006, and ending March 31, 2007, or until Harbourfront Centre ceases to exist, ceases to operate Harbourfront Centre or loses its non-profit status;
- (2) the General Manager, Parks, Forestry and Recreation be authorized to commence a review with Harbourfront Centre of their capital needs to ensure a state of good repair of the City-owned Harbourfront programming lands and report during the 2007 Budget Process on capital requirements;
- (3) the General Manager, Parks, Forestry and Recreation be authorized to commence negotiations with Harbourfront Centre with respect to a renewal of the operating agreement and state of good repair capital funding for a term of 10 years, commencing April 1, 2007, and ending March 31, 2017, outlining such additional terms and conditions as deemed necessary or appropriate and that the financial implications be reported during the 2007 Budget Process;
- (4) subject to City Council adopting Recommendation (3), the Government of Canada be requested to jointly examine a 10-year financial plan to ensure financial stability of Harbourfront Centre;
- (5) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 Operating Budget Process; and
- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated December 14, 2005, addressed to the
Economic Development and Parks Committee from
the General Manager, Parks, Forestry and Recreation)

Purpose:

To renew the annual operating grant to Harbourfront Centre for the period of April 1, 2006 to March 31, 2007.

Financial Implications and Impact Statement:

On July 4, 5, and 6, 2000, Council approved a commitment of \$750,000.00 annually for the period April 2, 2001 to March 31, 2006, to Harbourfront Centre for the operating costs of Harbourfront programming lands. As this agreement expires March 31, 2006, it was proposed during the 2006 Budget Process that the Deputy City Manager, in consultation with Legal

Services Division, review this agreement and report to the Budget Advisory Committee during the 2006 Budget Process, whether the agreement should be extended and the financial implications.

This report responds to the report request and recommends that the \$750,000.00 annual grant commitment for Harbourfront Centre be extended one year, ending March 31, 2007, and that a review be completed of Harbourfront Centre's capital needs to ensure a state of good repair of the City-owned Harbourfront programming lands and that negotiations commence for the renewal of the operating agreement and state of good repair capital funding for a term of 10 years, commencing April 1, 2007, and ending March 31, 2017.

Funding in the 2006 Proposed Budget remains at the \$750,000.00 level and is included in the 2006 Proposed Budget for the Community Partnership and Investment Program, Miscellaneous envelope.

Financial implications of the Harbourfront Centre capital needs review and 2007 to 2017 10-year negotiations, will be reported as part of the 2007 Budget Process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) Economic Development and Parks Committee renew the annual grant commitment of \$750,000.00 to Harbourfront Centre for one year from April 1, 2006 and ending March 31, 2007 or until Harbourfront Centre ceases to exist, ceases to operate Harbourfront Centre or loses its non-profit status;
- (2) the General Manager, Parks, Forestry and Recreation be authorized to commence a review with Harbourfront Centre of their capital needs to ensure a state of good repair of the City-owned Harbourfront programming lands and report during the 2007 Budget Process on capital requirements;
- (3) the General Manager, Parks, Forestry and Recreation be authorized to commence negotiations with Harbourfront Centre with respect to a renewal of the operating agreement and state of good repair capital funding for a term of 10 years, commencing April 1, 2007, and ending March 31, 2017, outlining such additional terms and conditions as deemed necessary or appropriate and that the financial implications be reported during the 2007 Budget Process;
- (4) subject to City Council adopting Recommendation (3), the Government of Canada be requested to jointly examine a 10-year financial plan to ensure financial stability of Harbourfront Centre;
- (5) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 Operating Budget Process; and

- (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Harbourfront Centre is a non-profit, charitable, cultural organization incorporated in 1991 to provide public events and operate the 10-acre Harbourfront programming site. The City of Toronto is the owner of the site and entered into a 99-year, renewable lease with Harbourfront Centre in 1997. Harbourfront Centre contributes more than \$132 million to the local economy each year and creates the equivalent of 1,425 full-time jobs. More than 70 percent of Harbourfront Centre's programs are free of charge. Harbourfront Centre's 2005 budget was \$23,500,000.00 with one-third of their annual operating budget raised through government grants and the remaining two-thirds raised through entrepreneurial activity.

Harbourfront Centre is seeking to secure new funding agreements from both the City of Toronto and the Government of Canada as expeditiously as possible, in order to ensure continuation of its public services and maintenance of the site in a state of good repair. Both agreements expire March 31, 2006. The Government of Canada has confirmed a one-year renewal of funding for Harbourfront Centre from April 1, 2006 to March 31, 2007. Following the outcome of the election, Harbourfront Centre will seek to secure a 10-year agreement with the Government of Canada.

While Harbourfront Centre has managed to reduce the total requirement for government support over the years, it now requires additional government funding in order to continue. The key financial constraints identified by Harbourfront Centre are growing inflationary pressures; capital pressures due to deferred site maintenance and infrastructure improvements; loss of parking assets due to the conversion of parking lots to parks by the City; and increased site operations costs. Since 1996, the City has provided a yearly operating grant to Harbourfront Centre in the amount of \$750,000.00, with funds provided from the Community Partnership and Investment Program. The City's financial contribution is applied to the operating costs of the Harbourfront programming lands. This contribution has remained constant, even though the Consumer Price Index (CPI) has eroded the present purchasing value by nearly 20 percent.

Comments:

Harbourfront Centre is one of Toronto's most popular waterfront attractions, drawing over 12 million visits per year. This success has resulted in a yearly operating cost for the 10-acre Harbourfront site of \$9,500,000.00, exclusive of programming costs. Recent Water's Edge Revitalization upgrades to York Quay have increased operating costs by an estimated \$200,000.00 per year. With mounting financial pressures, Harbourfront Centre has also under-invested in site maintenance and deferred some of the required capital infrastructure investments related to electrical, mechanical and life and safety systems.

Harbourfront Centre provides significant economic benefit to the City. The partnership with Harbourfront Centre is a valued one, as this City-owned site is being maintained with a modest level of investment from the City. However, inflationary pressures, loss of parking revenue, deferred maintenance and new operational costs due to waterfront revitalization have led to financial pressures that require additional funding.

It is recommended that the annual operating grant of \$750,000.00 for the period of April 1, 2006 to March 31, 2007, be provided to Harbourfront Centre. In 2006, an asset management review will be undertaken to determine the state of good repair of site facilities and a report will be forwarded to Council during the 2007 Capital Budget process on their capital needs.

It is also recommended that the General Manager, Parks, Forestry and Recreation be authorized to commence negotiations on a 10-year agreement with Harbourfront Centre that would be comprised of a yearly operating grant and capital funding to be used for state of good repair upgrades of this City-owned site.

Working in partnership with the Government of Canada to implement a 10-year financial plan for Harbourfront Centre, will ensure its financial stability and continuation of its public activities without interruption.

Conclusion:

Harbourfront Centre plays a key role in Toronto's plans for a thriving, prosperous waterfront. The annual grant is an investment in a City-owned, public site.

Contacts:

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(Communication dated January 9, 2006, addressed to the
Budget Advisory Committee from the Administration Committee
entitled "Revisions to Tax Sale Process Resulting from
Brownfields Legislation (All Wards)")

Recommendation:

The Administration Committee recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (December 15, 2005) from the Deputy City Manager and Chief Financial Officer.

Background:

The Administration Committee on January 5, 2006, considered a report (December 15, 2005) from the Deputy City Manager and Chief Financial Officer reporting on changes to the City's Tax Sale process resulting from the Brownfields legislation, to seek authority to delegate to the

Deputy City Manager and Chief Financial Officer or his designate the power to write-off certain tax arrears and to approve the vesting of tax sale properties in the City in certain circumstances and to seek authorization for the creation of a new line item within the City's non-program budget to fund the cost of inspections and environmental investigations of certain tax sale properties.

Recommendations:

It is recommended that:

- (1) a new Non-Program expenditure budget in the amount of \$385,000.00 be established entitled "Sale of Land for Tax Arrears – Investigations" to fund the cost of inspections, environmental investigations and appraisals ("Information Reports") incurred subsequent to a failed tax sale; and that such funding to be provided from a re-allocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts;
- (2) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate to vest a property in the City in circumstances where a tax sale has been unsuccessful, the property is not a condominium, and Information Reports indicate that the tax sale property has no apparent environmental conditions;
- (3) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate, following a failed tax sale, to write-off tax arrears on properties where such arrears do not exceed \$10,000.00 and that Article 17 of Chapter 71 of the City of Toronto Municipal Code, Financial Control, be amended to give effect to this delegation;
- (4) Article 16 of Chapter 441 of the City of Toronto Municipal Code, Fees, respecting Scale of Costs for Tax Sale Proceedings under Part XI of the *Municipal Act, 2001*, be amended to include the cost of a Preliminary Observation Report in the cancellation price;
- (5) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 Operating Budget process;
- (6) authority be granted for the introduction of any necessary Bills to implement the foregoing; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated December 15, 2005, addressed to the
Administration Committee from the Deputy City Manager and
Chief Financial Officer)

Purpose:

To report on changes to the City's Tax Sale process resulting from the Brownfields legislation, to seek authority to delegate to the Deputy City Manager and Chief Financial Officer or his designate the power to write-off certain tax arrears and to approve the vesting of tax sale

properties in the City in certain circumstances and to seek authorization for the creation of a new line item within the City's non-program budget to fund the cost of inspections and environmental investigations of certain tax sale properties.

Financial Implications and Impact Statement:

This report recommends that Council approve the establishment of a new Non-Program expenditure budget in the amount of \$385,000.00 to fund the cost of inspections, environmental investigations and appraisals ("Information Reports") incurred subsequent to a failed tax sale; and that such funding to be provided from a re-allocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts.

Funding for future years will be established annually, as part of the budget process, based on projected expenditures. Wherever possible, it is proposed that the costs of investigations be recovered either through the tax sale process or from the proceeds of any subsequent sale of such properties by the City.

Recommendations:

It is recommended that:

- (1) a new Non-Program expenditure budget in the amount of \$385,000.00 be established entitled "Sale of Land for Tax Arrears – Investigations" to fund the cost of inspections, environmental investigations and appraisals ("Information Reports") incurred subsequent to a failed tax sale; and that such funding to be provided from a re-allocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts;
- (2) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate to vest a property in the City in circumstances where a tax sale has been unsuccessful, the property is not a condominium, and Information Reports indicate that the tax sale property has no apparent environmental conditions;
- (3) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate, following a failed tax sale, to write-off tax arrears on properties where such arrears do not exceed \$10,000.00 and that Article 17 of Chapter 71 of the City of Toronto Municipal Code, Financial Control, be amended to give effect to this delegation;
- (4) Article 16 of Chapter 441 of the City of Toronto Municipal Code, Fees, respecting Scale of Costs for Tax Sale Proceedings under Part XI of the *Municipal Act, 2001*, be amended to include the cost of a Preliminary Observation Report in the cancellation price;
- (5) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 Operating Budget process;
- (6) authority be granted for the introduction of any necessary Bills to implement the foregoing; and

- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In March 2005, the Administration Committee considered a report (February 18, 2005) from the Chief Financial Officer and Treasurer entitled “Accounts Receivable – Largest Debtors with Tax Arrears Greater than \$500,000.00,” (Clause 23(h) of Report 3 of the Administration Committee, adopted by Council on April 12, 13, and 14, 2005). During the discussion surrounding that report, staff indicated that proposed procedures for tax sales on environmentally contaminated lands would be provided to a future meeting of the Committee.

Comments:

The municipal tax sale process is governed by the provisions in the *Municipal Act, 2001*. Once property taxes on any type of property are three years or more in arrears, a municipality may register a Tax Arrears Certificate on title to the property. The debtor has one year from the date of registration of a Tax Arrears Certificate to pay the cancellation price (the total of all unpaid taxes, all accrued penalties/interest and any costs incurred by the municipality related to the property). If payment is not made within that one-year period or an extension agreement has not been entered into, the Treasurer (in this case, the Deputy City Manager and Chief Financial Officer or his designate) is required to proceed to sell the property through a public auction or public tender. Upon the successful completion of the tax sale, the cancellation price is paid to the City from the tax sale proceeds and any excess sale proceeds are paid into Court for the benefit of persons, other than the City, having a claim or interest in the property according to their priority.

In the past, municipalities have been reluctant to commence tax sale proceedings where a property is suspected to be environmentally contaminated. Under the former *Municipal Tax Sales Act*, if a property was offered for tax sale and the sale was unsuccessful (i.e., no one was willing to pay the cancellation price), it was mandatory for the Treasurer to register a Notice of Vesting which resulted in the municipality becoming the owner of the property by default. As owner, the municipality would thereby become responsible for any environmental contamination.

The *Brownfields Statute Law Amendment Act, 2001* (portions of which came into effect at various points, commencing in 2002 and concluding in 2004) introduced amendments to the then in-force *Municipal Act* and the *Municipal Tax Sales Act*, designed to promote the revitalization of environmentally contaminated lands and to improve the ability of municipalities to address tax arrears on environmentally contaminated properties.

The current *Municipal Act* confers authority to the Treasurer in a number of instances within the tax sale process – for the purposes of this report and Appendix 1, *Municipal Act* references to the “Treasurer” means the Deputy City Manager and Chief Financial Officer, acting in his statutory authority as Treasurer, or the Deputy Treasurer, exercising his delegated authority as Treasurer.

These new provisions, which have been incorporated into the *Municipal Act, 2001*, allow a municipality to register a Tax Arrears Certificate and conduct a tax sale even when it is unlikely that the property will be purchased in the tax sale. Following a failed tax sale, the revised statutory regime removes the previous mandatory requirement that properties automatically vested in the municipality following a failed tax sale. Municipalities now have up to one year from the date of the failed tax sale to decide whether or not to acquire title to the property. This change eliminates the risk of the municipality involuntarily acquiring liability for contaminated sites.

Also significant are new provisions that permit a municipality, during the 12 months following an unsuccessful tax sale, to enter on the property for the purposes of conducting inspections or environmental site assessments to determine whether it is desirable to acquire the property. This provides the opportunity for the municipality, within that period, to make an assessment as to whether the property should be acquired by the municipality, either for its own purposes, or for resale to a prospective purchaser, or not at all.

A further provision confers a grace period to municipalities from orders under the *Environmental Protection Act* in situations where a municipality has acquired contaminated property through a Notice of Vesting. Unless the contaminant on the property poses a danger to the health or safety of a person, or a serious risk of injury or damage to any property, plant or animal life, an order under the *Environmental Protection Act* will not be made against a municipality for a period of five years from the date the property vested. This provision provides a significant time frame for a municipality to continue efforts to market and/or remediate an environmentally contaminated property which the municipality has chosen to acquire following an unsuccessful tax sale.

An interdivisional working group was formed (including representatives from Revenue Services, Facilities and Real Estate, and Legal Services) to review City tax sale practices in light of the new legislative provisions to determine how the collection of tax arrears respecting environmentally contaminated properties should be revised to protect the City from unnecessary liability and to potentially facilitate the return of such properties to productive use.

As environmental conditions and the role that such conditions play in tax arrears differ widely from property to property, it is difficult to establish a single policy with respect to tax arrears for contaminated properties that would address all eventualities. The City's actions in each case should be the result of an analysis of the type of land in question, the particular environmental conditions, the amount of tax arrears, the potential for remediation and the likely costs involved, an assessment of possible liabilities and risks, the value of the land involved (both the market value, and the potential value in use to the City or a prospective purchaser), and strategic and/or political considerations.

The procedures set out in Appendix 1 to this report provide a general overview of the tax sale process and the steps to be taken to arrive at a determination of whether a failed tax sale property should be vested in the City.

To obviate the need to seek Council authority for the vesting of each failed tax sale property, it is proposed that the Deputy City Manager and Chief Financial Officer or his designate, acting in their statutory capacity as Treasurer, be granted delegated authority to vest properties in those circumstances where Information Reports (e.g., preliminary observation reports prepared by

Facilities and Real Estate Division, appraisal reports, designated substance surveys and Phase I and II environmental assessments), indicate that there are no apparent environmental conditions and the property is not a condominium unit (which, if vested, could involve undetermined common expense costs to the City).

In situations where environmental contamination is known or suspected or where the property is a condominium unit, Revenue Services staff, in consultation with Facilities and Real Estate staff, will obtain such further Information Reports as may be necessary to make recommendations for Council consideration.

Following a failed tax sale, the Deputy City Manager and Chief Financial Officer or his designate may, from time to time, form an opinion that tax arrears are uncollectible on a particular property and the City may write-off such previous arrears, penalties and charges, whether or not the municipality acquires ownership of the property. In the past, consideration of any such proposed write-offs were reported to Council for decision.

It is also now proposed that the Deputy City Manager and Chief Financial Officer or his designate be granted delegated authority, following a failed tax sale and all other reasonable collection efforts, to write-off tax arrears which have accumulated on tax sale properties in circumstances where such arrears do not exceed \$10,000.00 (e.g., parking and locker units in condominium buildings, as well as one-foot reserves and other small strips of land). Such delegation would be consistent with the present authority given to the Chief Financial Officer to write off outstanding receivables owing to the City as uncollectible if the amount does not exceed \$10,000.00 (Chapter 71 City of Toronto Municipal Code, Financial Control, respecting authority to write off outstanding debt).

Costs:

The primary costs to the City related to the tax sale process include the costs to prepare Preliminary Observation Reports by Facilities and Real Estate staff, the costs of engaging external firms to prepare appraisal reports, and the costs of retaining external environmental consultants to conduct Phase I and Phase II Environmental Site Assessments, or Designated Substance Surveys where requested.

As the Preliminary Observation Report, prepared by Facilities and Real Estate staff, is a reasonable cost incurred by the City to obtain information on the property in advance of the tax sale, it is proposed that the costs of the Preliminary Observation Report be included in the cancellation price. Accordingly, this report recommends that Article 16 of Chapter 441 of the City's Municipal Code, being the Scale of Costs for Tax Sale Proceedings Under Part XI of the *Municipal Act, 2001*, Sale of Land for Tax Arrears, be amended to include the costs of the Preliminary Observation Report, such that the actual costs of preparing the reports can be recovered in a successful tax sale.

The costs of any other Information Reports (e.g., appraisal reports, designated substance surveys and Phase I and II environmental assessments) requested during the process would only be incurred after a tax sale has been deemed unsuccessful and, therefore, may not be included in the scale of costs eligible for inclusion in the cancellation price. As such, it is proposed that these costs be funded through a Non-Program account, and it is recommended that Council approve

funding for a special non-program expenditure account to which these costs can be charged. Where a tax sale is unsuccessful, the costs of the Preliminary Observation Report will also be charged to such non-program account. Wherever possible, all of these costs will be recovered from the proceeds of any subsequent sale of the property by the City.

In cases where the City takes title to the property following an unsuccessful tax sale, and intends to retain the property for municipal purposes, these costs would simply reflect the price paid to inform the City of the environmental condition of the property prior to making a decision whether or not to acquire the property.

However, in cases where the City acquires title to the property with the intention to market the property, either as remediated by the City, or “as is” to prospective purchasers willing to undertake remediation, it is proposed that the costs of the Information Reports be recovered from the eventual proceeds of the sale of the property.

Accordingly, it is proposed that a new Non-Program expenditure budget in the amount of \$385,000.00 (consistent with the amounts identified in Table 1, below) be created effective 2006 entitled “Sale of Land for Tax Arrears - Investigations”; and that funding for this amount be provided from a re-allocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts.

Table 1:
Estimated Funding Requirements – New Non-Program Account
Sale of Land for Tax Arrears - Investigations

Cost item	Estimated annual volume per year and average estimated cost	Total estimated funding requirement
Preliminary Observation Report prepared by Facilities and Real Estate	20* x \$250	\$5,000
Phase I Environmental Site Assessment Report	20 x \$4,000	\$80,000
Appraisal Report prepared by external contractor(s)	10 x \$5,000	\$50,000
Designated Substance Survey prepared by external contractor	10 x \$5,000	\$50,000
Phase II Environmental Site Assessment Report	10 x \$20,000	\$200,000
Total:		\$385,000

* This figure represents the estimated number of unsuccessful tax sales where the costs of the Preliminary Observation Report cannot be recovered as part of the cancellation price.

The secondary costs related to tax sale proceedings (including fees for registrations on title, disbursements, notifications, inspection warrants, and interdepartmental charge backs for services), will be absorbed within the Revenue Services Division operating budget for collections.

Staff of Facilities and Real Estate have been consulted in the development of this report and concur with the recommendations herein and the City Solicitor has provided ongoing legal advice on the report.

Conclusions:

This report outlines revisions to the Tax Sales Process resulting from the Brownfields legislation and outlines the options available to the City where a sale of land for tax arrears has been unsuccessful including the ability to determine whether or not to acquire title to the property.

To make an informed decision as to whether to acquire tax arrears properties, a series of progressive investigative steps are proposed, including property appraisals and varying levels of environmental testing. Where possible, it has been recommended that the costs associated with these investigations be recovered from the proceeds of the eventual sale of the property. Where the land is not sold, or acquired by the City for municipal purposes, it is proposed that these costs be funded through a new non-program account established for this purpose.

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Appendix 1 Summary of Tax Sale Process

Note: The current *Municipal Act* confers authority to the Treasurer in a number of instances within the tax sale process – for the purposes of Appendix 1, *Municipal Act* references to the “Treasurer” means the Deputy City Manager and Chief Financial Officer, acting in his statutory authority as Treasurer, or the Deputy Treasurer, exercising his delegated authority as Treasurer.

(1) Initial demands for payment of property tax arrears

When regular tax bills and notices sent to a property owner have not resulted in payment, and where further collection procedures have also failed to produce payment and if any portion of a property’s tax arrears are approaching three years in arrears, Revenue Services Division staff will prepare notification to the owner that, unless realty taxes are paid, the process for tax sale of the property will commence.

(2) Commencement of Property Tax Sale under the *Municipal Act, 2001*

If no response and/or payment is received in response to the above notification, Revenue Services Division staff, in conjunction with Legal Services, will proceed to prepare and register a Tax Arrears Certificate against the title to the property. The Tax Arrears Certificate indicates that the land will be sold by public sale if the Cancellation Price (an amount equal to the total tax arrears, all accumulated interest and penalties and any reasonable costs incurred by the municipality after the Deputy City Manager and Chief Financial Officer or his designate become entitled to register a Tax Arrears Certificate) is not paid within one year of the date of registration of the certificate (the “Redemption Period”).

Once the Tax Arrears Certificate has been registered against a property, Revenue Services staff prepare a memorandum notifying the appropriate Ward Councillor of the registration and advise that the property will be sold by public sale (or public auction) unless the Cancellation Price is paid during the Redemption Period.

(3) One-Year Redemption Period Following Registration of Tax Arrears Certificate

If, during the Redemption Period, the Cancellation Price is paid, the Deputy City Manager and Chief Financial Officer or his designate are required to register a Tax Arrears Cancellation Certificate which cancels the tax sale proceedings. The original property owner would continue to retain title to the lands and all previous tax arrears would be collected.

In these circumstances, the Ward Councillor is also notified that all property taxes have been paid and that tax sales proceedings have been cancelled.

(4) Preliminary Environmental Evaluation - Prior to Tax Sale

Where property tax arrears have not been paid by the 210th day of the Redemption Period, Revenue Services staff will prepare a memorandum to the Portfolio Manager, Facilities and Real Estate Division (FRE), requesting that FRE prepare a Preliminary Observation Report on the property. The Preliminary Observation Report provides information on the property supported by a site investigation, and may indicate whether there are any potential environmental or other conditions affecting the site which could influence a subsequent decision to market the property or to acquire the property for municipal purposes. The Preliminary Observation Report is to be completed and returned to Revenue Services within 90 days.

(5) Tax Sale of Property

Where the Cancellation Price has not been paid following the expiry of the Redemption Period and no extension agreement has been entered into or Tax Arrears Cancellation Certificate registered, the property would proceed to a tax sale by public tender (or public auction) under procedures and requirements set out in the *Municipal Act, 2001* and Ontario Regulation 181/03 (Municipal Tax Sales Rules).

(6) Tax Sale with Successful Purchaser

Once a tax sale has been held and a successful purchaser has been declared (having submitted the highest bid that meets or exceeds the Cancellation Price), Revenue Services and Legal Services staff will prepare and register a Tax Deed transferring title to the successful purchaser. Proceeds from the sale are applied, first, to the City to satisfy the cancellation price and next, any amounts remaining are paid into the Superior Court of Justice for the benefit of any persons having a claim or interest in the property, according to their priority at law.

(7) Options Following Tax Sale with No Successful Purchaser

In the case where a tax sale results in no successful purchaser, the City has the following options:

- (a) At any time during the one-year period following the date of the unsuccessful tax sale, the Deputy City Manager and Chief Financial Officer or his designate may prepare and register a Notice of Vesting, transferring ownership of the property to the City. Where a Notice of Vesting is not registered within such one-year period, the Tax Arrears Certificate is deemed to be cancelled, and title to the property remains in the name of the last registered owner.
- (b) Within that one-year period following an unsuccessful tax sale, the Deputy City Manager and Chief Financial Officer or his designate may recommend to Council that the taxes be written off as uncollectible, whether or not the property is vested in the City. Taxes may only be written off after an unsuccessful tax sale has been held or when the taxes are no longer payable as a result of other legislative provisions or a decision of a court.
- (c) If the City chooses to acquire ownership of the property following an unsuccessful tax sale, it may then retain the property for municipal purposes, or it may sell the property, subject to *Municipal Act, 2001* or other legislative requirements and any City policies and procedures relating to the sale of lands.
- (d) Upon acquiring ownership of the property, the City may decide to undertake remediation efforts with its own resources or attempt to market the property to prospective purchasers willing to undertake remediation. In the latter case, the City may enter into an agreement to sell the property whereby the City agrees to write-off all or a portion of previous tax arrears on the property in exchange for the purchaser agreeing to undertake environmental remediation to specified standards. It should be noted that ownership by the City, even where briefly held, may attract liability for environmental contamination.

(8) Actions to Inform Decision-making

In cases where environmental contamination may be a factor, the City's decisions must be based on a site specific analysis of the environmental conditions involved, the tax arrears situation, the remediation potential and the likely costs involved, an assessment of

liabilities and risks, the value of the land involved (both the market value, and the potential value in use to the City or a prospective purchaser), and strategic and/or political considerations.

To this end, the following procedures will be followed in the event of a failed tax sale:

- (a) In cases where the Preliminary Observation Report (prepared by FRE in advance of the tax sale) indicates that there is no apparent environmental condition that may affect the property, Revenue Services staff, in consultation with FRE staff, may determine that there be no further environmental investigation or testing undertaken. It is likely that this would be the case where the subject property is single family residential, a residential or commercial condominium, a reserve strip or minor residual parcel or any other property for which the likelihood of environmental contamination is low.
- (b) Where the Preliminary Observation Report indicates the potential for environmental contamination, Revenue Services staff will request FRE to engage an environmental consultant to conduct a Phase I Environmental Site Assessment. The Phase I Environmental Site Assessment (ESA) is an historical audit review that reports on previous and current land uses for the property and the vicinity, as a means of establishing the likelihood of potential environmental impacts. A Phase I ESA does not involve active soil or groundwater testing.

The Phase I ESA is to be completed and returned to Revenue Services staff with a recommendation to proceed with a Phase II ESA if it appears that there are significant potential environmental problems.

If, following receipt of the completed Phase I ESA and based on its findings, it is determined, after consultation with FRE staff, that there are no apparent environmental conditions affecting the subject property and that the property is not a condominium unit, the Deputy City Manager and Chief Financial Officer or his designate may decide to vest title to the property in the City and shall request Legal Services to prepare and register a Notice of Vesting.

- (c) Where FRE staff has recommended to the Deputy City Manager and Chief Financial Officer or his designate that further environmental investigations of the property be undertaken beyond the Phase I ESA, the Deputy City Manager and Chief Financial Officer or his designate may request that FRE provide an appraisal report on the subject property, establishing the market value of the property in an “unaffected” (i.e., uncontaminated) state, and also request that FRE staff engage a qualified environmental consultant to conduct a Phase II ESA, and/or a Designated Substance Survey.

A Phase II ESA involves active sampling of soil and groundwater conditions at the site to determine the extent and magnitude of environmental contamination, the potential sources of the contamination and whether any offsite migration of contaminants has occurred. The Phase II ESA will also, typically, provide a proposed remediation plan, an estimate of the costs and the time involved to

remediate the property to acceptable provincial standards and an indication of the potential to develop the property utilizing a Site Specific Risk Assessment (SSRA) approach. A Designated Substance Survey may also be undertaken to identify specific contaminants related to structures and buildings (i.e., asbestos, PCBs, etc.). These would only be undertaken when structures or buildings are present on the property and are likely or suspected to be affected by contaminants.

In cases where a Phase I or II Environmental Report and/or a Designated Substance Survey ("Information Reports") have disclosed environmental contamination on a tax sale property, the Deputy City Manager and Chief Financial Officer or his designate, after consultation with FRE staff, shall report to Council with recommendations on the future ownership and treatment of the property.

(9) Where No Action Taken

Upon the expiration of the one-year period following an unsuccessful tax sale, the Tax Arrears Certificate registered against title to the property is deemed to have been cancelled (section 379(15) of the *Municipal Act, 2001*). The property would remain in the name of the last registered owner and any previous arrears would remain on the tax rolls as amounts due the City, together with interest and penalty (unless these amounts had been written off as uncollectible).

Where the one-year period has elapsed without the City taking any action, a Tax Arrears Cancellation Certificate will be registered on title to the property to clearly establish that no action is being taken in consequence of the registration of the Tax Arrears Certificate. As a courtesy, Revenue Services staff will inform the property owner by mail that the tax sale process is at an end and that the City has neither sold nor acquired the property but that the realty tax arrears with interest and penalty remain payable.

Following the registration of a Tax Arrears Cancellation Certificate, the Deputy City Manager and Chief Financial Officer or his designate may, at any time, register a new Tax Arrears Certificate provided that three or more years of taxes continue to remain unpaid. Should the tax sale process be recommenced, the City would disclose to prospective tenderers any environmental assessment reports obtained through the previous process.

(10) Timing Considerations

Following an unsuccessful tax sale, the City has only one year in which to make a decision whether or not to take title to the property. During this period, numerous processes must be undertaken including obtaining and reviewing various stages of environmental reports and appraisals, conferring with internal divisions and outside consultants, service of notices of entry and warrants, if necessary, and obtaining Council authority in certain cases of contaminated properties. Only as experience is gained processing failed tax sale properties through the revised regime, will it become clear whether the one-year period is truly sufficient time to achieve the intended objectives.

(Report dated February 7, 2006, addressed to the Budget Advisory Committee from the Deputy City Manager and Chief Financial Officer, entitled “2006 Annual Sinking Fund Levy and Activity during 2005”)

Purpose:

To request Council’s approval for payment of the annual sinking fund levies in 2006 to fulfil the legislative requirements of the *Municipal Act, 2001* and to inform Council of the activities of the Sinking Fund during 2005.

Financial Implications and Impact Statement:

Funding for the 2006 sinking fund levies is provided in the City’s 2006 operating budget under Capital and Corporate Financing, “Debt Charges”.

Recommendations:

It is recommended that:

- (1) the 2006 sinking fund levies required by by-law (as amended by the Ontario Municipal Board orders to reduce levies) to be raised in 2006 by Council for deposit in the City of Toronto Sinking Fund be approved as follows:

City of Toronto	\$126,253,535.81
Water and Wastewater	989,944.57
Toronto District School Board	<u>6,128,776.63</u>
Total	<u>\$133,372,257.01</u> ; and

- (2) the appropriate City officials be authorized to take the necessary actions to give effect thereto.

Background:

Subsection 424(4) of the *Municipal Act, 2001* (the “Act”) states:

“If in any year an amount is or will be required by law to be raised for a sinking fund or retirement fund in a municipality, the treasurer of the municipality shall prepare for the council, before the budget for the year is adopted, a statement of the amount.”

Comments:

When a municipality issues debentures, provincial legislation requires that the principal repayment must be amortized over the term-to-maturity of the debenture or an annual amount be contributed to a sinking fund. Sinking funds are required by provincial legislation and established to ensure that adequate financing is available at a debenture’s maturity. Currently, the City has three separate sinking fund portfolios (four percent, five percent and six percent) associated with its debenture issues. Each portfolio represents a specific actuarial rate of return that is used in calculating the

required annual contribution. The Sinking Fund Committee, consisting of four citizen members appointed by Council and the Chair who is the Deputy City Manager and Chief Financial Officer, is responsible for the administration and management of all sinking fund investment portfolios.

As Trustee of these portfolios, the Sinking Fund Committee exercises its fiduciary responsibility by achieving the specified actuarial rates of return while ensuring compliance with legislative and policy limits. This is accomplished through the prudent investment management of the annual sinking fund contributions, the re-investment of interest income, and achieving capital gains as appropriate.

Sinking Fund Levies for 2006:

The amounts contained in Recommendation (1) are levied upon the outstanding gross sinking fund debt of \$1,888,000,000 as at December 31, 2005, since the annual sinking fund deposit is not levied upon debt that may be issued during 2006 until 2007. It is noted that, in addition to the gross sinking fund debt, the City has an additional \$555,505,000.00 in installment debt as at December 31, 2005, for total gross outstanding debt of \$2,443,505,000.00 and net debt of \$1,793,297,663.00, not including the provincial loan of \$170,171,125.00, for a total of \$1,963,468,788.00.

During 2005, the City issued a total of \$310 million in sinking fund debt, consisting of \$60 million with a maturity of five years and \$250 million with 10-year maturity. Also issued was \$190 million in installment debentures with terms-to-maturities of one to nine years which does not form part of the sinking fund, for total debt issuance of \$500 million for the year.

The sinking fund deposit for the City's requirements forms part of the City's 2006 operating budget and is included in Capital and Corporate Financing, "Debt Charges". While Council is required to levy the sinking fund deposit on behalf of the Toronto District School Board, it is not included in the City's operating budget as it is fully recovered from the Board.

Sinking Fund Activity During 2005:

During the year, the Fund's assets increased from \$643.6 million as of December 31, 2004, to \$650.2 million at the end of 2005. Matured debt of \$100.0 million was paid out of the Fund on December 1, 2005.

The Fund is managed with the objective of achieving or exceeding its actuarial earnings assumptions within legislative and policy guidelines. In 2005, the City's sinking fund investment portfolios generated income of \$37.0 million as compared to \$32.5 million in 2004 due to a combination of higher short-term interest rates and a higher average asset value during the year. These investment results exceeded the sinking fund's actuarial requirements for 2005.

Investment performance will be discussed in greater detail in the annual 2005 Investment Policy Report that will be submitted to the Policy and Finance Committee during the second quarter of 2005. The sinking fund's 2005 audited financial statements will be submitted to Audit Committee and Council when completed during 2006.

When a sinking fund debenture is originally issued, an estimated actuarial earnings rate is established in the debenture by-law. This rate represents the expected earnings over the life of the fund. When the rate is set, it reflects the prevailing and projected interest rate environment. In order to reduce the risk of the fund not achieving this actuarial requirement, a conservative earnings rate is utilized to calculate the amount that the City will have to contribute to the fund annually. Legislation limits this interest rate assumption to eight percent or less. The actual contributions to the Fund are based upon assumed interest rates of four percent, five percent or six percent, depending upon capital market conditions when each respective debenture was issued. This actuarial rate of earnings combined with the annual sinking fund deposit provides the required funds for the retirement of the debt. Since 1954, the Fund has never incurred a deficit that, according to provincial legislation, would have to be financed by the municipality.

Conclusion:

This report fulfills the requirement of the *Municipal Act* for the Treasurer to present to Council the amount of the 2006 sinking fund levies which are included in the City's 2006 Operating Budget under Capital and Corporate Financing, "Debt Charges".

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	<p>Appendix 6(B) (Operating Budget) Reports Recommended by the Budget Advisory Committee to be Received Containing Recommendations</p>
	General
(1)	Presentation (January 13, 2006) by Councillor Norm Kelly and Dr. Richard Irving, Schulich School of Business, York University, entitled "Presentation on the Budget Process"
	Other City Programs
	Auditor General's Office
(2)	Communication (November 4, 2005) from the Audit Committee, entitled "Auditor General's Office – 2006 Budget"

	Special Purpose Bodies
	Association of Community Centres
(3)	Communication (November 22, 2005) from the Policy and Finance Committee, entitled "Corporate Support Provided to the 10 City-Funded Community Centres (AOCCs)"
	Exhibition Place
(4)	Communication (November 6, 2005) from the General Manager and CEO, Exhibition Place, entitled "2006 Operating Budget for Exhibition Place"
	Toronto Public Health
(5)	Communication (September 29, 2005) from the Board of Health, entitled "Toronto Public Health 2006 Operating Budget"
(6)	Communication (October 25, 2005) from the Board of Health, entitled "Toronto Public Health 2006 Operating Budget – Motions referred from the Board of Health Meeting Held on September 26, 2005"
(7)	(November 29, 2005) from the Board of Health, entitled "Dog and Cat Licensing Strategy",
(8)	(January 20, 2006) from the Board of Health, entitled "2006 Toronto Public Health Operating Budget"
(9)	(January 23, 2006) from the Policy and Finance Committee, entitled "Implementation and Budget Implications of the Toronto Drug Strategy"
	Corporate Accounts
	Community Partnership and Investment Program
(10)	Communication (January 12, 2006) from the Community Services Committee, entitled "Update on the Rent Bank and Analysis of Administrative Costs"
(11)	Communication (January 23, 2006) from the Board of Health, entitled "2006 Community Investment Program Budgets"
	Committee Transmittals
(12)	Communication (January 23, 2006) from the Administration Committee, entitled "2006 Operating Budget – Administration Committee"
(13)	Communication (January 12, 2006) from the Community Services Committee, entitled "2006 Operating Budgets – Community Services Committee"
(14)	Communication (January 17, 2006) from the Economic Development and Parks Committee, entitled "2006 Operating Budget – Economic Development and Parks Committee"

(15)	Communication (January 23, 2006) from the Planning and Transportation Committee, entitled “2006 Operating Budget Planning and Transportation Committee”
(16)	Communication (January 17, 2006) from the Works Committee, entitled “2006 Operating Budgets – Works Committee”

(Communication dated January 13, 2006, addressed to the Budget Advisory Committee from Councillor Norm Kelly, Chair, Alternate Budget Committee and Dr. Richard Irving, Schulich School of Business, York University)

In the words of Mayor Miller, citizens of Toronto voted in the last election to “take back their city”. One way to take back the city is by reforming the budget formulation and oversight process.

The budget of the City of Toronto is a multi-billion dollar, complex endeavor that must balance the various and competing needs of Torontonians with the financial realities of municipal government. City council has the obligation not only to acquire funds to cover the costs of running the city; it also has the responsibility to ensure that these funds are spent appropriately. A well managed city must ensure that its services are both effective and efficient. Taxpayers and senior orders of government may occasionally be willing to increase their allocation of funds to the City of Toronto, but they expect that these funds will be carefully spent in an open, transparent and accountable manner and that the value of the results obtained will be credibly demonstrated.

Priorities for fund allocation are political issues and are not addressed here. Our focus is on the process of creating a budget and the process of monitoring the execution of the budget once it is approved. Consequently, we view this document as bipartisan and non-political in the sense that all councilors whether they lean to the left or to the right have an interest in ensuring that monies are allocated in an open, transparent and accountable manner, and that once allocated, the monies are spent effectively.

The mayor and city council hold the city and its finances in trust for the citizens of Toronto. As trustees they have the obligation not only to provide sound financial management, but to be seen to do so. Currently the budget system is less open, transparent, accountable and fair than it can be or should be.

For example, City councillors (except for those on key finance and policy committees) don’t really see the budget until it is in its final form and thus have limited ability to have input to the process and to influence the final result. This approach may work if one is pursuing a narrow political agenda; but it is counterproductive if one’s objective is to have the citizens of Toronto “take back their city” by being truly involved in the operation of the city and produce the best possible budget.

This involvement can take place through their elected representatives (councillors) or directly through citizen participation. Mayor Miller has had several town hall meetings about budget priorities with citizens, but these do little more than provide the appearance of an open process, since there is insufficient time to thoughtfully examine and debate realistic budget alternatives. Additionally, city councilors are limited in their ability to monitor the formulation of the budget and the implementation of programs, etc. because they do not have a direct link to the SAP financial system and thus cannot track city finances in real time. Rather, they are dependant on the whims of city employees to produce the data they require. This may take days or weeks depending on the data and the relationship between the Councillor and the person who produces the report.

It is not just Councillors who lack access to the system. City employees at the management level (e.g., those who hire, fire and have responsibility for a budget) have limited access to the SAP system. If complete system access were extended (on a read only basis) to all city employees at all management levels, they could see how other managers at similar levels are producing and managing their budgets. This could have three positive outcomes. First, these managers could and likely would comment on budget proposals and projects which are inappropriate or unrealistically funded since they realize that they are competing for the same small pot of money. Second, by seeing how other managers develop budgets, the level of understanding of budget process would, over time be elevated. Third and finally, by having all managers accessing the whole system, errors and omissions could be spotted more quickly than is currently the case because multiple eyes would be on the whole budget. This last outcome would be ideal since the goal should be to correct errors before things go wrong; not report them after the fact. Given the complex nature of the budget, a reasonable manager would want as many eyes on it as possible to ensure the best possible outcome.

In many ways this process is analogous to the process for development of Open Source Software. In this process, the source code for the program is provided to everyone free of charge and they are allowed to copy and modify it with the proviso that they must make their modifications available to everyone else free of charge. For some large complex and critical software packages this method ensures that mistakes are found quickly and corrected.

The best examples of open source software are Linux and Apache. Linux is an open source operating system for computers which is gaining ground on Microsoft. Apache is the most successful web server software in the world run by more than 65 percent of the web's servers. Apache is reliable because of its open source approach that uses the eyes and brains of literally thousands of programmers worldwide. This same concept can be applied to the budget development and implementation process by opening up the process to take advantage of the broad range of intelligence and ability existing at city hall.

Opening up the process extends beyond providing broad SAP access and training to city councilors and city managers. For example, the city finance department has to be invited into a department if there are issues concerning how it manages its finances. Clearly a stronger oversight function is needed here. If it is clear that there are financial or operational inefficiencies, the finance department should have the right to intervene to set these issues right. The City of Toronto should consider a function similar to Treasury Board which can monitor actions and can intervene if changes are needed.

Now that the City of Toronto has obtained new powers from the Province of Ontario, it's the right time to review the budget formulation and implementation process and make changes which enhance the transparency of the process and which allow elected representatives, employees and citizens to have input to all stages of budget development and implementation.

Openness and transparency in municipal government is not just an issue for the city of Toronto. For example in England, the city of Harrow recently had a citizen's budget whereby a group of citizens gathered together for a weekend and developed their own version of the city budget which was presented to city hall. Ottawa has recently modified its budget process. Furthermore, in the wake of the Gomery inquiry, our own computer leasing scandal and other well known improprieties, citizens are demanding more openness, transparency and accountability from all orders of government. Business as usual is not an option.

Naturally, as with any proposed change, there will be resistance. Here are some of the common concerns we have heard and our responses to them.

- (1) The process will be too costly: Actually the cost will be minimal since the City of Toronto already has licenses for the use of SAP and has a training centre. One possible issue is the level of implementation of SAP for financial management. Opening up the process would aid the full implementation by throwing light on errors and inconsistencies.
- (2) We should let the managers manage: This comment comes from several sources and sounds hardheaded and businesslike. However, other than an excuse for inaction, what does it mean? It seems to reflect a fear that if the councillors have access to more complete information they will interfere in the day to day management processes of the City of Toronto. This view ignores the fact that they are elected to oversee how the city is run. Providing City Councillors with better information merely means that they can conduct this oversight function better. It does not mean that City Councillors will be second guessing every management decision. In fact having a better informed council can actually improve the functioning of the city because less time will be spend debating what is demonstrably working well and more focus can be placed on those areas that actually need improvement.
- (3) Having better access to financial information means that Councillors will be held more responsible for the budget: The fact is that they are responsible for the budget now, but lack appropriate access to information to appropriately exercise this responsibility. Improving their access to all steps in the budget process means that they not only can have input but they can demonstrate to their electorate how they exercised their responsibility.
- (4) It will take too much time to learn SAP: The expectation is that someone on the Councillor's staff will take the training, though some Councillors may have an interest in direct access. Furthermore, canned reports in a variety of formats can be produced by city staff. These reports can be run as needed to produce updated information.

We offer the following recommendations in an attempt to make Toronto a world leader in fiscal openness, transparency and accountability. We view these recommendations as a modest, but necessary first step toward this goal.

Recommendations to Budget Advisory Committee:

- (1) City Council should vote to open up the preliminary budget submissions, through secure electronic access, to all City Councilors and all City employees at a management level;
- (2) City of Toronto should make its ongoing finances available through the SAP system to all employees at a management level and all City Councilors as soon as possible;
- (3) ultimately all the finances of the City of Toronto should be available for inspection online by every resident of Toronto on an on-going basis; and
- (4) City Councilors should receive monthly financial statements with appropriate notes from the Finance Division.

(Communication dated November 4, 2005, addressed to the
Budget Advisory Committee from the Audit Committee, entitled
“Auditor General’s Office – 2006 Budget”)

Recommendation:

The Audit Committee recommends that the 2006 Budget for the Auditor General’s Office, attached to the report (October 19, 2005) from the Auditor General, be amended by increasing the program level of staff as considered appropriate by the Auditor General, and approved the 2006 Budget accordingly and requested that it be submitted to the Budget Advisory Committee for consideration.

Action taken by the Committee:

The Audit Committee requested the Auditor General, when hiring the additional persons in his division, to give consideration to building the complement of environmental expertise in his Office.

Background:

At its meeting on November 2, 2005, the Audit Committee gave consideration to the report (October 19, 2005) from the Auditor General.

Recommendation:

It is recommended that the attached 2006 budget for the Auditor General’s Office be approved and forwarded to the Budget Advisory Committee.

The Audit Committee also had before it a paper copy of PowerPoint presentation given by Jeff Griffiths, Auditor General.

(Report dated October 19, 2005, addressed to the Audit Committee
from the Auditor General)

Purpose:

To provide the Audit Committee with information relating to the 2006 budget for the Auditor General's Office.

Financial Implications and Impact Statement:

The 2006 budget request for the Auditor General's Office is \$4,080,669.00, which is \$224,878.00 in excess of its adjusted base budget of \$3,855,791.00. The proposed budget and base budget contain audit fees in the amount of \$317,000.00 and \$333,846.00 respectively relating to the external financial audit.

The adjusted base budget was the amount provided by the Financial Planning Division, which essentially represents the budget approved for 2005 adjusted for inflation plus approved salary increases.

Recommendation:

It is recommended that the attached 2006 budget for the Auditor General's Office be approved and forwarded to the Budget Advisory Committee.

Background:

In May 2002, City Council approved an independent Auditor General's Office for the City of Toronto. The Auditor General's Office reports directly to Council through the Audit Committee, and, as such, is independent from management. As an independent office, the Auditor General submits an annual audit work plan to the Audit Committee for review and an annual budget for review and approval.

Consequently, this budget has been forwarded directly to the Audit Committee without a detailed review by the City's Financial Planning Division. This process was approved by City Council in 2001.

Detailed information relating to the 2006 budget is contained in the attached document, entitled "Auditor General's Office – 2006 Budget".

Comments:

The 2006 budget request for the Auditor General's Office is \$4,080,669.00, which is \$224,878.00 in excess of its adjusted base budget of \$3,855,791.00. A business case supporting this request is contained in the attached document (Appendix 1).

The major component of the 2006 budget is salaries and benefits, which represent 96 percent of its budget (excluding external financial audit fees).

Benefits of the Audit Process to the City of Toronto:

Reviews, investigations and audits conducted by the Auditor General's Office have benefited the City of Toronto in a variety of ways.

Audit recommendations identify ways to:

- maximize City revenues or identify opportunities for new revenues or cost savings;
- manage or utilize City resources, including public funds, personnel, property, equipment and space in an economical and efficient manner; and
- identify causes of inefficiencies or uneconomical practices, including inadequacies in management information systems, internal and administrative procedures, organizational structure, use of resources, allocation of personnel, purchasing policies and equipment.

Audits help auditees to:

- safeguard assets;
- check the accuracy and reliability of accounting data;
- detect unauthorized transactions and unauthorized access to assets that could result in unauthorized acquisitions, use or disposition of assets;
- ensure compliance with laws, regulations, policies, procedures, or generally accepted industry standards; and
- achieve the desired program results.

The Auditor General's Office, as one of its responsibilities, operates the Fraud and Waste Hotline Program. Since its inception, the activities of this program have increased significantly. The volume of calls to the Hotline in 2005 has increased by over 50 percent compared to 2004.

In regard to the operation of the Fraud and Waste Hotline Program, the Auditor General prepares an annual report on the Program, which will be in front of the next Audit Committee meeting.

While certain audit reports have resulted in tangible cost savings, the more important benefits provided relate to the avoidance of future costs, as well as the protection of City assets. Nevertheless, tangible annual cost savings have occurred, or will occur, as a result of the work conducted by the Auditor General.

Conclusion:

Detailed information relating to the 2006 budget is available in the Auditor General's Office budget submission attached to this report (Appendix 1).

Contact:

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(Copy of Attachment 1, entitled "Appendix 1: Auditor General's Office – 2006 Budget", referred to in the foregoing report is on file in the Office of the City Clerk.)

(Communication dated November 22, 2005, addressed to the
Budget Advisory Committee from the Policy and Finance Committee, entitled
"Corporate Support Provided to the 10 City-Funded Community Centres (AOCCs)")

Recommendations:

The Policy and Finance Committee on November 22, 2005, recommended to the Budget Advisory Committee that:

- (1) City Council adopt the staff recommendations contained in the Recommendations Section of the report (November 1, 2005) from the Executive Director, Social Development and Administration respecting Corporate Support Provided to the 10 City-Funded Community Centres (AOCCs); and
- (2) the Executive Director, Social Development and Administration and the General Manager, Parks, Forestry and Recreation be requested to review the status of the Fairbank Community Centre to determine the feasibility of revising its governance and administrative structure to one that parallels that of the Board-run community centres.

Background:

The Policy and Finance Committee on November 22, 2005, considered a report (November 1, 2005) from the Executive Director, Social Development and Administration reporting on the current and recommended levels of corporate support provided to the 10 City-funded Community Centres (AOCCs).

Recommendations:

It is recommended that:

- (1) Policy and Finance Committee endorse the recommended level of Human Resources support for the 10 City-funded Community Centres and that the requested funding of \$84,000.00 be considered as part of the 2006 budget process;
- (2) Policy and Finance Committee endorse the recommended level of Information and Technology support for the 10 City-funded Community Centres and that the requested funding of \$160,000.00 be considered as part of the 2006 budget process;
- (3) Policy and Finance Committee forward this report to the Budget Advisory Committee for consideration in the 2006 budget process; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated November 1, 2005, addressed to the
Policy and Finance Committee from the Executive Director,
Social Development and Administration)

Purpose:

To report back on the current and recommended levels of corporate support provided to the 10 City-funded Community Centres (AOCC's).

Financial Implications and Impact Statement:

The financial impact of the recommended level of corporate support is \$224,000.00 for the salary and benefit costs for three additional full time equivalent staff. Human Resources will require one additional full time equivalent staff at a 2006 cost of \$84,000.00 to provide health and safety program development support to the 10 Community Centres. Information and Technology will require two additional full time equivalent staff at a 2006 cost of \$160,000.00 to provide desk top support to the 10 Community Centres.

This request is not currently included in the Information and Technology or Human Resources 2006 Operating Budget Submission. The \$160,000.00 request for IT staff and \$84,000.00 for HR staff should be considered as part of the Association of Community Centres consolidated budget. The annualized operating impact for 2006 is estimated to be \$142,333.00. This request for additional resources will be referred to Budget Advisory Committee for consideration and is subject to approval through the 2006 Operating Budget process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) Policy and Finance Committee endorse the recommended level of Human Resources support for the 10 City-funded Community Centres and that the requested funding of \$84,000.00 be considered as part of the 2006 budget process;
- (2) Policy and Finance Committee endorse the recommended level of Information and Technology support for the 10 City-funded Community Centres and that the requested funding of \$160,000.00 be considered as part of the 2006 budget process;
- (3) Policy and Finance Committee forward this report to the Budget Advisory Committee for consideration in the 2006 budget process; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In April 2003, City Council approved, with amendments, the report respecting the Governance Review of the Association of Community Centres (AOCCs). The report recommended that the City continue to provide the current level of corporate support to AOCCs and report back on the cost of providing the current level of corporate support to AOCCs and the appropriate range and level of corporate support to AOCCs and the resource implications on any proposed changes.

Additionally, Budget Advisory Committee at its meeting on January 26, 2005, added \$15,000.00 to the AOCC consolidated budget to undertake a review of the desk top support requirements, in consultation with Information and Technology, to determine the most cost effective desk top support strategy for the 10 Centres; such strategy be implemented in 2005 and the strategy and related cost be reported to the Budget Advisory Committee in the 2006 budget process.

This report responds to these requests.

Comments:

1.0 Association of Community Centres:

The Association of Community Centres includes 10 board-run Community Centres that were established between 1974 and 1992 and they include:

- (i) 519 Church Street Community Centre;
- (ii) Applegrove Community Complex;
- (iii) Cecil Street Community Centre;
- (iv) Central Eglinton Community Centre;
- (v) Community Centre 55;
- (vi) Eastview Neighbourhood Community Centre;
- (vii) Harbourfront Community Centre;

- (viii) Ralph Thornton Community Centre;
- (ix) Scadding Court Community Centre; and
- (x) Swansea Town Hall Community Centre.

The Governance Review of the AOCCs completed in 2003 recommended that the AOCC boards continue with the existing City funding arrangements and that the Centres be functionally aligned with the Community and Neighbourhood Services Department as part of the City's strategy for aligning program operating boards to the relevant City department. Given the recent administrative restructuring, the functional alignment is now with the Social Development and Administrative Division given that the initial rationale for the functional alignment was that the strategic directions outlined in the Social Development Strategy for the City relates directly to the Community Centre's activities.

2.0 Corporate Support:

The AOCCs have historically received varying levels of corporate support from human resources, finance, legal, information and technology and facilities and real estate at the City. The City liaison, the City Manager's Office, and representatives from the various corporate areas, with input from the AOCCs, have reviewed the current levels of corporate support provided to the 10 Centres and are recommending enhancements to the current level of corporate support in some areas.

(a) Human Resources Support:

As reported in the Governance Review, AOCC staff are City staff, as determined by the Labour Relations Board in 1985, for collective bargaining purposes. The April 2003 report regarding the Governance Review of the Association of Community Centres, approved by City Council, confirmed the City as the employer for all purposes. Prior to amalgamation, the former City of Toronto provided support to AOCCs for collective bargaining as well as general labour relations advice and assistance in dealing with grievances. The City also provided assistance in determining levels of compensation for the non-union employees. After amalgamation, the City has continued to provide these services and has also facilitated AOCC staff to attend City-delivered Health and Safety certification training. In 2005, the City's Employee Assistance Program services have also been extended to AOCC staff.

The Human Resources Division have met with the AOCCs over the past year to review and identify the specific human resources support and services they require. The Centres range in size but generally do not have dedicated human resource staff to provide a comprehensive range of human resources services. As the AOCC staff are now City employees, the City has an obligation to provide corporate human resources support. The AOCCs have identified the following additional human resources services that need to be provided to the 10 Centres:

- (i) Occupational Health and Safety program development;
- (ii) Ergonomic Assessments;
- (iii) Occupational Hygiene Analysis;
- (iv) Employee Health and Rehabilitation Services;
- (v) Workforce Planning/ Workforce Reduction Support;
- (vi) Human Rights Investigations;

- (vii) Employment Equity Program Support;
- (viii) Policy Development Assistance;
- (ix) Staffing Issues Support;
- (x) Training; access to courses in the corporate calendar; and
- (xi) Advise regarding Legislative Governance Requirements.

The Human Resources Division has determined that most of the requested services can be provided to the AOCCs within existing resources as many of these services are on an occasional rather than regular basis. However, the services that will be difficult to provide within existing resources include Health and Safety program development, ergonomic services and occupational hygiene analysis. Although there are not a large number of employees at each of the Community Centres health and safety requirements for 10 additional facilities is a substantial increase in demand within current human resource staffing levels. Health and safety program development, ergonomic services and occupational hygiene analysis are services that tend to require greater amounts of staff time particularly given the need to ensure that legislative health and safety requirements are addressed. It is estimated that one additional human resource consultant will be required to provide health and safety support and program development to the 10 Community Centres. The cost of salary and benefits of one full time equivalent staff is estimated at \$84,000.00.

(b) Information and Technology Support:

There is currently no formal agreement in place related to Information and Technology providing support to the AOCCs. Desk top support, through Information and Technology, is provided to the AOCCs on an ad-hoc urgent case by case basis. In 2005, Social Development and Administration, in its role as the AOCC liaison, initiated a process with Information and Technology, to provide the AOCCs with access to some immediate IT services until such time the review and approval of the appropriate level of IT corporate support could be completed. The minimal support included facilitating the TELS replacement program to the AOCCs, equipping two members of each of the 10 Centres with the ability to access the City's intranet site via the employee portal and providing access to Information and Technology courses delivered through the Division's training unit. Access to the intranet for two members is expected to be completed by November 2005 and will enable access to a variety of City of Toronto information including corporate policies and procedures.

In the summer of 2005, in response to a directive from Budget Advisory Committee, a review of IT support for the AOCCs was initiated to identify desktop support requirements and determine the most cost effective desktop support strategy for the 10 Community Centres. The desk top support review included representation from the Information and Technology Division, the Social Development and Administration Division and the Community Centres.

The desk top review included information gathering to determine the scope of IT requirements at the 10 Community Centres. Some preliminary requirements for desktop support and other IT supports have been identified through this process however a comprehensive review of all IT requirements has not yet been completed. The Centres have different levels of IT capacity, different IT infrastructure, servers and applications. More detailed reviews regarding server environment, applications and networks will need to be conducted to determine other IT support

that may be required by the Centres. The Social Development and Administration Division and Information and Technology will report back on the next steps and potential costs of these additional IT reviews at a later date.

The preliminary information collected during the IT review process at the 10 Centres, identified a variety of IT needs at the 10 Centres. Information and Technology is recommending the following support be provided to the AOCCs:

- (i) desktop support including maintenance of desktop, notebook computers, peripherals and printers, support for software/hardware installation and coordination of repairs;
- (ii) Information and Technology Service Desk Services including access to IT inquiry response, point of contact to access Tier 2 support where required; and
- (iii) Information and Technology Services including access to IT course for corporate standard software such as the Office XP Suite and Groupwise.

It is further recommended that a service level agreement be developed and executed with each Centre to document the IT support that will be provided by Information and Technology. Given the diversity of the IT capacity and needs at the 10 Centres, the service level agreements will need to be specific to each Centre rather than a standard service agreement for all Centres. The service level agreements will be developed by Social Development and Administration, Information and Technology and the Centres.

Access to IT Service Desk services and access to IT Training services can be provided to the AOCCs within existing resources. However, the provision of desktop support to the 10 Centres will require two additional full time equivalent staff (FTEs) to provide this service. The cost of salary and benefits of two full time equivalent staff is estimated at \$160,000.00. It should be noted that access to the IT Service Desk support is contingent on approval of the two additional FTEs to effectively follow-up on service calls that require Tier 2 or desktop support outcalls. The IT Service Desk will be the main point of contact for the Centres to initiate IT support calls.

(c) Corporate Access and Privacy Support:

The AOCCs have historically accessed the Corporate Access and Privacy Office on an ad hoc, as required basis for advice and support regarding access to information requests and other issues related to the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA). The 10 board-run Community Centres are required to comply with MFIPPA and the AOCC staff as City employees, are also required to comply with MFIPPA. The Corporate Access and Privacy Office are able to provide support to the AOCCs within existing resources. The Centres historically have not required Corporate Access and Privacy support on a regular basis and therefore the impact on existing resources should be minimal.

The Corporate Access and Privacy Office will be initiating training with the AOCCs in 2006 to provide information regarding their statutory requirements under MFIPPA and to provide a vehicle to share best practices related to policies and procedures around the collection, use, disclosure and retention of personal information.

(d) Legal Services Support:

Legal support provided to AOCCs is different from the legal support provided to more complex boards where the City legal representative attends the Board meetings and provides ongoing assistance. Legal advice to the AOCCs has generally been provided on an as required basis and has included a variety of issues such as labour and employment issues, membership requirements, lease renewals, and explaining the status of a board to name a few. It is recommended that legal advice continue to be provided to the AOCCs as required. Legal Services has indicated that legal support can be provided to the AOCCs within existing resources however any legal disbursements would be recoverable.

(e) Financial Services Support:

The Financial Planning Division currently provides the same level of service to AOCCs as to any agency of the City. The Division functions as a liaison and provide advice with regard to the operating budget process. Additionally, Financial Planning staff monitors, evaluates and assists with any in-year expenditures and revenue performance as compared to approved budgets. They are currently also responsible for consolidating the AOCCs budget request and providing guidance to the AOCCs during the budget review process. However the responsibility for consolidating the AOCC budget is currently being reviewed to ensure an appropriate separation between the development and review of budget submissions. Thus, the consolidation responsibility of the budget may be transferred to another Division in the future. In the interim, it is recommended that the Financial Planning Division continue to provide the same level of support to the AOCCs. The Division has indicated that the current service level can be continued within existing resources.

(f) Facilities and Real Estate Support:

Eight of the 10 AOCCs are currently located in City-owned buildings which require ongoing maintenance and repair and capital investment to ensure the asset is kept in a state of good repair. Two AOCCs are located in leased facilities. The roles and responsibilities for maintenance and repair, snow removal, custodial services and utility costs are specific to each Centre and historically based. The responsibility for these services is outlined in Chapter 25 of the Toronto Municipal Codes. Changes to the current roles and responsibilities for building maintenance, custodial services, snow removal and the cost of utilities are not being recommended at this time.

Facilities and Real Estate is responsible for capital repairs for the eight Centres in City-owned facilities. According to the City's capital budget process, a capital expenditure is defined as an expenditure that is \$50, 000.00 or over and has a lasting benefit of at least 10 years. Capital repairs for AOCCs in city-owned facilities are included in the Facilities and Real Estate capital budget request and subject to corporate priority setting and the capital budget process. Capital budget requests are usually based on a building condition assessment that identifies year over year capital repair items for the facility. Currently, not all AOCCs in City-owned facilities have had a building condition assessment completed on their facility. The Facilities and Real Estate Division has indicated that building condition assessments will be completed for all AOCCs in City-owned facilities by the end of 2006. The building condition assessments will enable Facilities and Real Estate to develop a long-term capital program for the AOCCs. In 2007,

recommendations arising from the building condition assessments for AOCCs will be integrated into the Facilities and Real Estate's five-year capital plan and subject to approval through the annual capital budget process.

Additionally, Facilities and Real Estate is in the process of developing an information package and procedures for the capital budget process to ensure that the AOCCs and Boards of Management have input into this process and information sharing as the budget cycle moves forward.

3.0 Harmonizing Employment-Related Policies across the AOCCs:

The City is responsible for all compensation issues and pay equity issues related to AOCC staff as City employees. The 2003 Governance Review recommended that the City maintain authority over policies and practices related to compensation for AOCC staff, in particular, compensation-related policies, benefits provisions and other terms and conditions of employment. The AOCCs unionized staff are part of CUPE Local 2998 and the City negotiates the collective agreement between the City and the union. The conditions of employment for unionized staff continue to be governed by the terms of the collective agreement for that Local.

For non-union staff of the Community Centers, as city employees, the Centres should be following the employment-related City policies that apply to non-union City staff. Human Resources has initiated a process to review the Community Center positions based on the city's job evaluation plan and review the terms and conditions of employment for each community center to identify the impact on the various Centres in moving to the City policies and terms. Compensation policies includes, for example, vacation entitlement, overtime, sick-pay plans, leave provisions and benefits.

It is anticipated that this review will be completed by the first quarter of 2006. Given that both parts of the review are compensation related, any changes must be implemented congruently. Any financial implications related to compensation for non-unionized staff will be included in the consolidated AOCC budget request and submitted through the 2007 budget process.

Conclusion:

The Association of Community Centres, comprised of 10 Centres, have historically received varying levels of corporate support from the City. The 2003 report related to the Governance Review of the Association of Community Centres, approved by Council, confirmed the AOCC staff as City employees for all purposes. City staff have reviewed the corporate support provided to the AOCCs in the areas of human resources, information technology, access and privacy, legal, finance and facilities and real estate and are recommending enhancements in two areas. The enhancements include an additional full time equivalent staff in human resources to provide health and safety program development and two additional full time equivalent staff to provide desktop support to the 10 Centres. The total financial impact for the recommended service levels is \$224,000.00 and will be submitted to Budget Advisory Committee for consideration during the 2006 budget process.

Contact:

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(Communication dated November 6, 2005, addressed to the
Budget Advisory Committee, from the General Manager and
CEO Exhibition Place, entitled “2006 Operating Budget for Exhibition Place”)

Purpose:

The report is submitted for the consideration of the Budget Advisory Committee, and for subsequent approval by City Council.

Financial Implications and Impact Statement:

While the proposed 2006 Operating Budget results in a net loss for the Board of (\$764,473.00), this loss absorbs the downloading of the insurance premium from the City to Exhibition Place of \$589,000.00 which will result in an equivalent savings within the City Finance Department, Risk Management Division. Accordingly, for the purposes of the City based on a budget-to-budget comparison, the proposed budget represents a decrease of \$573,953.00.

Recommendations:

It is recommended that:

- (1) the 2006 Operating Budget for Exhibition Place be approved and be forwarded to the City Finance Department; and
- (2) the City Manager be requested to:
 - (a) calculate the role and cost of Exhibition Place as a City Public Space; and
 - (b) consider what amount should be calculated as an adjustment for this purpose in Exhibition Place’s annual budget for submission to City Council.

Background:

At its meeting of September 23, 2005, the Board of Governors of Exhibition Place considered and approved a Report from the General Manager and CEO for Exhibition Place dated September 15, 2005, entitled “2006 Operating Budget for Exhibition Place”.

Comments:

The following is an extract of the Recommendations, Background and Discussion portion of the above-noted report dated September 15, 2005 from General Manager and CEO of Exhibition Place.

“Recommendations:

At its meeting of September 14, 2005, the Finance and Audit Committee of the Board considered this report and recommends that the Board:

- (1) Approve Appendix “A” related to the 2006 Operating Budget;
- (2) Approve Appendix “B” related to the 2006 Operating Surplus for the CNEA Program and CNEA/Exhibition Place MOU Agreement;
- (3) Forward to the City of Toronto Finance Department staff for review and amalgamation within the City of Toronto 2006 Operating Budget; and
- (4) Request staff to undertake a review of revenue, expenses, and duplication of services with a report back to the Finance and Audit Committee.

Background:

Financial By-law 2 requires approval by the Board and the City of an annual operating budget for the CNEA, NTC and Exhibition Place Programs. This report should be read in conjunction with the additional reports also on this agenda entitled “Grant to Canada’s Sports Hall of Fame for 2006” and “WSIB Claims”.

Discussion:

The proposed 2006 Operating Budget has been developed in accordance with guidelines and directions from the City of Toronto Finance Department and also takes into account the special requirements and budget pressures that exist for the fiscal year 2006 for each of the three Exhibition Place programs.

This report contains the proposed level of revenues and expenditures for 2006 for the Board and it also contains information on the 2003 and 2004 actual results; the year 2005 projected results; the 2005 approved budget amount for each financial account for comparative purposes along with percentages showing the change of both increases and decreases () between 2005 and 2006 for each line item.

A. Summary and Objectives and Challenges:

The City of Toronto departments, agencies, boards and commissions are required to develop 2006 operating budgets on a “budget-to-budget” basis not an “actual budget-to-budget” basis. The reason for this City direction is that any revenue decrease or expenditure increase from 2005 to 2006 will have a negative impact on the property tax base. As stated above, for the purposes of the City based on a budget-to-budget comparison, the proposed budget represents a decrease (or negative impact on the property tax base) of \$573,953.00.

Since 1998, the Board established budgetary targets aimed at maximizing net income paid to the City of Toronto. This has been a very positive, albeit challenging, endeavor for all staff and has required management to aggressively pursue operational efficiencies and business opportunities in order to meet budget expectations. For the period from 2000 to 2004 inclusive the Board has had an operating surplus except for 2003 when the blackout and SARS combined to cause a net operating loss. During this period, the Board has paid its operating surplus to the City totaling over \$3.5 million.

The 2006 operating budget was developed within the context of the current economic and financial environment and the following are the significant negative pressures (mostly uncontrollable) which are impacting the Exhibition Place programs in 2006.

- Salary and wages – both excluded and unionized
- OMERS and health/dental benefits
- WSIB cost increases
- Utility and fuel costs
- Increased Insurance Premium from City
- Reduction in Parking Revenues
- Reduction in show services revenues
- Reduction in grounds rentals
- Reduction in Sponsorship Revenues
- Reduction in Ricoh Revenues

The budget presented has already absorbed \$1,418,011.00 of these negative pressures.

B. 2006 Operating Budget by Program:

The following section provides information on the proposed level for 2006 of operating budget revenues and expenditures for each of the three Exhibition Place programs.

(i) CNEA Program:

The CNEA Program shows a profit of \$784,564.00 for 2006. Forecast revenues of \$21,281,567.00 represents an increase from the 2005 budget of \$592,009.00 or 2.9 percent. The 2006 budgeted expenditures of \$20,497,003.00 is an increase from 2005 budgeted expenditures of \$504,155.00 which is a change of 2.5 percent. However, it should be noted that the requested budget for 2006 represents a funding envelope and specific expenditure items will be amended as programs are finalized over the next few months through the CNEA Board of Directors.

The proposed 2006 CNEA operating budget is built upon the assumptions set out below:

Admission Rates - The CNEA plans on maintaining its current admission rate structure.

Extended Period of Operation - The plan is for the expanded horse show and the casino to operate again for about 2 ½ weeks before the official opening of the fair on August 18, 2006.

Labour and Other Cost Inputs - As is the case with the other two programs at Exhibition Place labour costs are assumed to be increasing by 3 percent in 2006 and where it is deemed appropriate, other costs are increasing by the general inflation rate of 2.5 percent.

Programming Issues – The plan is to continue the ice skating show introduced in 2005 as well as an expansion of the daily parade. The RCMP Musical Ride may be one of the new feature shows for a 4 to 6 day period in 2006. The current thinking is that the Special Feature funding for the Fireworks will be applied to other programming in 2006. Whatever programming decisions are ultimately made the CNEA will stay within its committed net profit.

The 2006 expenditures include a payment to the Exhibition Place program of a Site Preparation Cost of \$1,984,315.00 and a charge for Administrative Support Services of \$1,164,130.00 and a \$522,963.00 charge for use of the NTC. All these costs have been calculated in accordance with the 2002 Memorandum of Understanding between the Board and the CNEA.

(ii) Exhibition Place Program:

The 2006 Exhibition Place budget is forecasting total direct and indirect revenues of \$12,046,969.00 which represents a decrease from 2004 budget of \$875,186.00 or 6.7 percent. This decrease is mainly due to a more realistic value for parking revenues and third party (services) revenues.

The total direct and overhead expenditures of \$14,450,815.00 is \$111,494.00 or 0.1 percent less than the 2005 budgeted expenditures. The total net cost is \$2,403,846.00 which is an increase of \$763,692.00 over 2005.

Parking Income - Parking income at Exhibition Place has come under pressure recently from show organizers buying bulk parking services from Ontario Place and offering this parking at no cost to its attendees. Parking revenues from the tenants have also not met the initially anticipated projections. The impact on the 2006 budget for reduced parking income is \$113,998.00.

Third Party Revenues – While third party revenues for services have decreased, so have expenses so that the profitability of third party services has actually increased from \$686,916.00 (2005) to \$699,295.00 (2006).

(iii) National Trade Centre Program:

The National Trade Centre Program budget includes expenditures and revenues for its own activities and also the revenue contribution from the Ricoh Coliseum.

The National Trade Centre operations have a budget target for net income of \$498,834.00 and the Ricoh Coliseum \$355,975.00 of net income making a total target budget of \$854,809.00. This is a decrease of \$487,115.00 over the comparable amount in the 2005 budget.

Two of the major pressures that are affecting the 2006 National Trade Centre budget are a decline in advertising and sponsorship income (\$105,991.00) and a reduction in the ancillary revenue related to shows. Electrical show revenue will be reduced by approximately \$189,000.00 and this is due to the fact that two major shows, the Packaging Association of Canada and the Canadian Machine and Tool Show, will not be occurring in 2006 as these two shows are biennial. Also the income from Ricoh decreased by \$305,162.00 reflecting the new loan and lease terms.

Operating expenses are well controlled and are budgeted to decrease by \$32,653.00 in 2006.

C. Other Budgetary and Financial Issues:

The following is a discussion of those budget pressures that affect all three programs at Exhibition Place:

- (i) Property and Liability Insurance Premium for 2006 - City Council in 2005 approved of a recommendation to transition to a full cost recovery approach for insurance premiums. Previously more than half the premium was charged to the central corporate account rather than to Exhibition Place. The increase in insurance premium is from \$203,000.00 to \$792,000.00.
- (ii) Wage/Staffing Increases - The collective agreements applying to the various trades operating at Exhibition Place have been negotiated and wage increases as stipulated in the contracts will be implemented in 2006. A substantial part of these labour wage increases will be recovered by higher charges to third parties but there are maintenance costs which are charged directly to Exhibition Place programs for asset management. In addition, this budget has included 3.0 percent wage increases for all excluded staff as indicated by City Finance staff. For all three programs at Exhibition Place the cost of these salary and net wage increases is estimated to be \$347,650.00 for 2006.
- (iii) Employee Benefits Paid by the Employer - The cost of employee benefits has been increasing steadily in recent years and OMERS recently announced a 9 percent increase in employer paid premiums effective for 2006. The cost increase to Exhibition Place on a consolidated basis for all employee benefits is estimated to be \$60,000.00 for the fiscal year 2006.
- (iv) Utilities - Exhibition Place has been advised by the City to budget for the following increases in the cost of utilities:

	Increase
Electricity	three percent
Natural Gas	four percent
Water	seven percent

To the degree possible these cost increases are recovered from third parties but it is estimated that the net cost to all three programs for utility rate increases will be almost \$175,000.00 in 2006.”

Conclusion:

This report describes the proposed 2006 Operating Budget for review by the Board and provides detailed revenue and expenditure details for each program area as set out in the accompanying detailed budget document.

Contact:

Dianne Young, General Manager and CEO,
Bus: 416-263-3611, Fax: 416-263-3640

Attachment: Appendix “A” – 2006 Operating Budget for Exhibition Place

(A copy of Appendix “A”, entitled “2006 Operating Budget for Exhibition Place”, referred to in the foregoing report is on file in the office of the City Clerk.)

(Communication dated September 29, 2005, from the Board of Health, entitled
“Toronto Public Health 2006 Operating Budget”)

Recommendations:

The Board of Health recommended to the Budget Advisory Committee that the staff recommendations in the Recommendations Section of the report (September 23, 2005) from the Medical Officer of Health, be adopted, subject to:

- A. Recommendations (1), (2) and (3) being amended by adding the words “in principle”, at the end of each recommendation, so that the recommendations read as follows:

“(1) Toronto Public Health 2006 Operating Budget of \$214,140.1 thousand gross and \$66,004.5 thousand net including a base budget of \$197,475.6 thousand gross and \$59,486.7 thousand net, and New and Enhanced Services of \$16,664.5 thousand gross and \$6,517.8 thousand net, be approved in principle;

- (2) the list of adjustments included in the Toronto Public Health 2006 Operating Budget and Summarized in Table 3, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totaling an increase of \$3,389.1 thousand gross and a reduction of \$11,305.2 thousand net, be approved in principle;
- (3) the list of adjustments included in the Toronto Public Health 2006 Operating Budget and Summarized in Table 4, “Summary of 2006 New and Enhanced Services” totaling \$16,664.5 thousand gross and \$6,517.8 thousand net, be approved in principle;”

B. Recommendation (5) being amended to read as follows:

“(5) City Council be requested to direct any reduction in TPH 2006 municipal funding to municipal services that enhance the health of the City’s population and that the Medical Officer of Health in consultation with the Board of Health Budget Subcommittee and interested Board members, provide recommendations on these additional programs and services to appropriate City staff.”

C. adding a new recommendation as follows:

“that the 2006 Toronto Public Health dental budget include an amount of \$83,509. thousand gross and \$29,228. thousand net for two positions (one Dental Hygienist and one Dental Assistant), to identify and refer for care, pregnant women and new mothers in shelters in need of dental cleaning and treatment.”

Action taken by the Board of Health:

The Board of Health:

- (1) referred the following motions placed by members of the Board to the Board of Health Budget Subcommittee for further consideration:
 - (a) Motion moved by Valerie Sterling:

“That the Medical Officer of Health be requested to include a proposal for a dental clinic in the north east part of the City and that costs for such a proposal be included within the 2006 Toronto Public Health Operating Budget.”
 - (b) Motion moved by Councillor Glenn De Baeremaeker:

“That the 2006 Toronto Public Health Operating Budget be increased by \$800,000.00 with \$500,000.00 allocated for a Trap/Neuter/Release Program and \$300,000.00 be allocated to the Toronto Wildlife Centre; and that the Medical Officer of Health be requested to report back on the benefits of these programs during consideration of the 2006 Toronto Public Health Operating Budget; and

That the Medical Officer of Health be requested to report back to the Board of Health on the creation of a community health innovation grants program, develop priority issues and provide options for funding levels of \$2 million and \$4 million, such report to be completed in time to be considered with the 2006 Toronto Public Health Operating Budget.”

- (c) Motion moved by Councillor Glenn DeBaeremaker:

“That the Medical Officer of Health be requested to report back to a future meeting of the Board on the possible introduction of a spaying/neutering program and a Trap, Neuter and Release Program; such report to be completed in time to be considered with the 2006 Toronto Public Health Operating Budget.”

- (d) Motion moved by Councillor Glenn DeBaeremaker:

“That the Medical Officer of Health report back to the Board of Health regarding the merits of supporting the Toronto Wildlife Centre, and other similar groups, as a means of providing Animal Care services to the citizens of Toronto, and outlining possible funding options within the 2006 Toronto Public Health Operating Budget; such report to be completed in-time to be considered with the 2006 Toronto Public Health Operating Budget.”

- (e) Motion moved by Councillor Olivia Chow:

“That drown proof swimming lessons for grade 3 students be considered as part of the \$4.8 million collaborative initiatives that promote public health and community safety.”; and

- (2) requested the Board of Health Budget Subcommittee to monitor the progress of budget discussions with the City and report back to the Board of Health as appropriate.

Background:

The Board of Health on September 26, 2005, considered the attached report (September 23, 2005) from the Medical Officer of Health, presenting the Toronto Public Health (TPH) 2006 Operating Budget request to the Board of Health.

Recommendations:

It is recommended that:

- (1) a Toronto Public Health 2006 Operating Budget of \$214,140.1 thousand gross and \$66,004.5 thousand net including a base budget of \$197,475.6 thousand gross and \$59,486.7 thousand net, and New and Enhanced Services of \$16,664.5 thousand gross and \$6,517.8 thousand net, be approved;

- (2) the list of adjustments included in the Toronto Public Health 2006 Operating Budget and Summarized in Table 3, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totaling an increase of \$3,389.1 thousand gross and a reduction of \$11,305.2 thousand net, be approved;
- (3) the list of adjustments included in the Toronto Public Health 2006 Operating Budget and Summarized in Table 4, “Summary of 2006 New and Enhanced Services” totaling \$16,664.5 thousand gross and \$6,517.8 thousand net, be approved;
- (4) City Council continue to invest sufficient municipal funds to strengthen public health services in Toronto as recommended by the Walker expert panel and the Campbell commission, and to leverage new one-time provincial funding to promote and protect the health of the Toronto population;
- (5) City Council be requested to direct any reduction in TPH 2006 municipal funding to municipal services that enhance the health of the City’s population and that the Medical Officer of Health be provided an opportunity for input into the choices made;
- (6) this report is forwarded to the Budget Advisory Committee for its consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

The Board of Health also considered the following communications:

- (July 27, 2005) from Councillor Shelley Carroll;
- (September 26, 2005) from Nathalie Karvonen, Executive Director, Toronto Wildlife Centre; and
- (September 26, 2005) from A. Terpstra, International Institute of Concern for Public Health, Fluoride Toxicity Research Collaborative.

The following persons addressed the Board of Health:

- Ferne Finkins, Cat Advocacy Team;
- Christina Girgulis, Cat Advocacy Team;
- Aliss Terpstra, International Institute of Concern for Public Health; and
- Nathalie Karvonen, Toronto Wildlife Centre.

(Report dated September 23, 2005, addressed to the
Board of Health from the Medical Officer of Health)

Purpose:

The Toronto Public Health (TPH) 2006 Operating Budget request to the Board of Health.

Financial Implications and Impact Statement:

The TPH 2006 Operating Budget request totals \$214,140.1 thousand gross and \$66,004.5 thousand net. This request is a \$20,053.6 thousand or 10.3 percent increase in gross expenditures and a \$4,787.3 thousand or 6.8 percent decrease in net expenditures from the 2005 Operating Budget. These estimates assume full provincial cost sharing for eligible programs. Table 1 summarizes the 2006 request.

Table 1
Toronto Public Health
2006 Operating Budget Request

	2005 Budget	2006 Base	2006 New/Enh.	2006 Total Request	Change from 2005 Budget	
(\$000s)	\$	\$	\$	\$	\$	%
Gross Exp.	194,086.5	197,475.6	16,664.5	214,140.1	20,053.6	10.3
Revenue	123,294.6	137,988.9	10,146.6	148,135.5	24,840.9	20.1
Net Exp.	70,791.8	59,486.7	6,517.8	66,004.5	(4,787.3)	(6.8)
Positions	1,873.4	1,844.0	405.3	2,249.3	376.0	20.1

The net decrease from the 2005 budget of \$4,787.3 thousand is comprised of a revenue increase of \$13,871.6 thousand as a result of an increase in the provincial cost-sharing formula from 55 percent to 65 percent, base budget net increases totaling \$2,566.5 thousand, and a net increase of \$6,517.8 thousand in new and enhanced TPH services.

The net increase in the base budget of \$2,566.5 thousand includes annualization increases of \$613.2 thousand, a decrease of \$285.7 for reversal of non-recurring items, a reduction of \$128.0 thousand for zero based expenditures, and other increases totaling \$2,367.1 thousand that are primarily related to compensation.

The net budget request of \$6,517.8 thousand for new and expanded services includes measures to sustain and strengthen current services and new or enhanced services to support local and provincially mandated programs.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) a Toronto Public Health 2006 Operating Budget of \$214,140.1 thousand gross and \$66,004.5 thousand net including a base budget of \$197,475.6 thousand gross and

- \$59,486.7 thousand net, and New and Enhanced Services of \$16,664.5 thousand gross and \$6,517.8 thousand net, be approved;
- (2) the list of adjustments included in the Toronto Public Health 2006 Operating Budget and Summarized in Table 3, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totaling an increase of \$3,389.1 thousand gross and a reduction of \$11,305.2 thousand net, be approved;
 - (3) the list of adjustments included in the Toronto Public Health 2006 Operating Budget and Summarized in Table 4, “Summary of 2006 New and Enhanced Services” totaling \$16,664.5 thousand gross and \$6,517.8 thousand net, be approved;
 - (4) City Council continue to invest sufficient municipal funds to strengthen public health services in Toronto as recommended by the Walker expert panel and the Campbell commission, and to leverage new one-time provincial funding to promote and protect the health of the Toronto population;
 - (5) City Council be requested to direct any reduction in TPH 2006 municipal funding to municipal services that enhance the health of the City’s population and that the Medical Officer of Health be provided an opportunity for input into the choices made;
 - (6) this report is forwarded to the Budget Advisory Committee for its consideration; and
 - (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In June 2004, the Ontario Minister of Health and Long-Term Care announced Operation Health Protection, a three-year action plan that calls for bold, system-wide changes that will make the public health system stronger, more responsive and sustainable. This plan to rebuild the public health infrastructure in Ontario was developed in response to recommendations from the final “Report of the Expert Panel on SARS and Infectious Disease Control” (Walker Panel) and the first “Interim Campbell Report”, both of which examined the impact of the SARS crisis on Ontario’s health system. Mr. Justice Archie Campbell’s second Interim Report, released on April 11, 2005, highlighted the importance of the work being carried out under Operation Health Protection.

Operation Health Protection recognizes that local Public Health Units are the backbone of the public health system. The renewal and strengthening of a full range of public health services is supported by increased provincial funding. The 2004 Ontario Budget outlined a plan to increase the provincial share of the funding for local Public Health Units to 75 percent by 2007. This formula changed from 50 percent provincial cost-sharing in 2004 to 55 percent in 2005, 65 percent in 2006 and 75 percent in 2007. Each local board of health is expected to approve a budget that will enable them to achieve and/or maintain compliance with Mandatory Health Programs and Services Guidelines and other requirements of the *Health Protection and Promotion Act (HPPA)*.

A memorandum dated December 9, 2004 from the Chief Medical Officer of Health and Assistant Deputy Minister, Dr. Sheela Basrur, includes the following:

“This new provincial funding is intended to enhance the total funding available for public health in order to improve local public health capacity, and the Province expects municipalities to contribute their full share to this important area of public service commitment to improved health protection and preparedness.”

The Ministry of Health and Long Term Care (MOHLTC) has committed to strengthen the resource base for public health by increasing the provincial share of funding for local health units from 55 percent to 65 percent in 2006. This change results in an increase of \$13,871.6 thousand in provincial subsidy available to TPH in 2006. The 2006 Operating Budget has been prepared on the assumption that the MOHLTC will fund its full share of costs for all mandatory health programs and services. The approval of the grant from MOHLTC is usually received in the fourth quarter of each fiscal year.

Comments:

The TPH 2006 Operating Budget request totals \$214,140.1 thousand gross and \$66,004.5 thousand net. This total request includes a base budget of \$197,475.6 thousand gross and \$59,486.7 thousand net and a request for additional resources totalling \$16,664.5 thousand gross and \$6,517.8 thousand net.

The net decrease from the 2005 budget of \$4,787.3 thousand or 6.8 percent is primarily due to the increase in the provincial revenues from 55 percent to 65 percent cost sharing that provides additional resources of \$13,871.6 thousand to strengthen public health services.

The continued incremental investment in public health in 2006 and 2007 offers a unique opportunity to add significant needed resources for TPH to establish sustainable public health services for the benefit of Toronto.

This significant increase in such a constrained timeframe presents a short term operational challenge for TPH. It is important to note however, that the 2006 budget year with its related provincial funding increase to 65 percent from 55 percent in 2005, offers the greatest opportunity in the three year window to leverage provincial funding. Every \$1 of continued municipal investment in public health will leverage \$3 in new public health services. The 2006 funding annualization into 2007 can be offset by the further increase in provincial cost sharing to 75 percent in that year.

In 2008 the provincial funding formula will remain stable at 75 percent so that it will be difficult in the 2007 budget to request new or enhanced services that would add annualized funding pressure on the 2008 budget.

Table 2 - 2006 – 2008 Provincial Cost Sharing Overview, below illustrates the provincial cost sharing changes from 2006 through 2008. In the 2007 budget, incremental provincial revenue offsets the economic and annualization pressures from 2006 and offers some opportunity for programs requiring one-time investments and no or very minimal annualization into 2008. In the 2008 budget, with no incremental provincial revenue, the estimated increase in the TPH budget is 1.6 percent, primarily related to compensation pressures.

Table 2
Toronto Public Health
2006 - 2008 Provincial Cost Sharing Overview

	2006 65% Province / 35% City			2007 75% Province / 25% City			2008 75% Province / 25% City		
	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>
Previous Year Approved Budget	133,486.3	73,601.7	59,884.5	156,005.2	101,850.3	54,154.8	173,714.3	130,732.7	42,981.6
Current Year Budget Adjustments	6,908.7	4,230.4	2,678.3	17,709.2	11,511.0	6,198.2	2,821.8	2,116.3	705.4
Current Year Adjusted Budget	140,395.0	77,832.1	62,562.8	173,714.3	113,361.3	60,353.0	176,536.1	132,849.0	43,687.1
Incremental Provincial Revenue	-	13,871.6	(13,871.6)	-	17,371.4	(17,371.4)	-	-	-
Current Year Budget Request	140,395.0	91,703.7	48,691.2	173,714.3	130,732.7	42,981.6	176,536.1	132,849.0	43,687.1
Change from Previous Year Approved Budget	6,908.7	18,102.0	(11,193.3)	17,709.2	28,882.4	(11,173.2)	2,821.8	2,116.3	705.4
% Change	5.2%	24.6%	(18.7%)	11.4%	28.4%	(20.6%)	1.6%	1.6%	1.6%
New / Enhanced Services	15,610.2	10,146.6	5,463.6	-	-	-	-	-	-
Current Year Budget Request	156,005.2	101,850.3	54,154.8	173,714.3	130,732.7	42,981.6	176,536.1	132,849.0	43,687.1
Change from Previous Year Approved Budget	22,518.9	28,248.6	(5,729.7)	17,709.2	28,882.4	(11,173.2)	2,821.8	2,116.3	705.4
% Change	16.9%	38.4%	(9.6%)	11.4%	28.4%	(20.6%)	1.6%	1.6%	1.6%

The 2006 – 2008 Provincial Cost Sharing Overview illustrates the importance of taking advantage of the increase in provincial revenue in the 2006 budget. The resources gained in 2006 are critical to establishing strong and stable public health infrastructure in the City of Toronto.

In developing the 2006 budget request, TPH undertook a review of its base budget to identify funding efficiencies that could be re-invested in needed services. The 2006 request includes seven proposals that are funded through reinvestment of the savings identified in this review.

(1) Base Budget Adjustments:

Base budget adjustments totaling a net decrease of \$11,305.2 thousand are included in the 2006 requested budget and are listed in Table 3 - Summary of 2006 Base Changes from 2005 Approved Budget, followed by an explanation of the key components.

Table 3
Summary of 2006 Base Changes from 2005 Approved Budget
(\$000's)

	Positions	Gross Expenses	Revenues	Net
2005 Approved Operating Budget (February 2005)	1,868.4	187,858.5	118,620.1	69,238.4
In-year approvals and technical adjustments	5.0	6,228.0	4,674.5	1,553.5
2005 Approved Operating Budget	1,873.4	194,086.5	123,294.6	70,791.9
Prior year impacts	(31.4)	(2,765.7)	(2,750.8)	(14.9)
Zero base items	0.0	(285.5)	(157.5)	(128.0)
Economic Factors – Payroll	0.0	4,842.7	2,755.2	2,087.5

Economic Factors - Non-Payroll	0.0	730.0	528.8	201.2
Adjusted Base Budget	1,842.0	196,608.0	123,670.4	72,937.6
Other base changes	2.0	867.6	446.9	420.7
Provincial Revenue change	0.0	0.0	13,871.6	(13,871.6)
Total Base Budget Adjustments	(29.3)	3,389.1	14,694.3	(11,305.2)
Total 2006 Base Budget Request	1,844.0	197,475.6	137,988.9	59,486.7
Over (Under) 2005 Approved Budget	(29.3)	3,389.1	14,694.3	(11,305.2)
Over (Under) 2005 Approved Budget (%)	(1.6%)	1.7%	11.9%	(16.0%)

In-Year Approvals and Adjustments:

The 2005 Operating Budget of \$194,086.5 thousand gross/\$70,791.9 thousand net includes several in-year adjustments, the major components being: a reduction of \$513.8 thousand gross/\$246.7 thousand net due to an additional 0.5 percent gapping; an adjustment to 100 percent funded programs of \$2,657.1 thousand gross/\$0 net; an increase of \$227.5 thousand gross/\$154.1 thousand net related to the reallocation of insurance and utilities charges from the City's non-program budget; an increase of \$718.8 thousand gross/\$305.4 thousand net related to the CUPE Local 79 harmonization cost; and an increase of \$3,138.2 thousand gross/\$1,340.6 thousand net related to the 2005 COLA and Fringe Benefit increase.

Adjusted Base Budget:

The net adjusted base budget of \$72,937.6 thousand includes a reduction of \$285.7 thousand for reversal of non-recurring items, an increase of \$613.2 thousand for annualization of prior year approved programs, a reduction of \$128.0 thousand for zero based expenditures, salary and benefits increases of \$2,087.5 thousand and non-payroll economic factors increases of \$201.2 thousand.

Other Base Budget Adjustments:

Other base budget changes total a net decrease of \$13,451.0 thousand. This decrease in the base budget includes the change in provincial revenue of \$13,871.6 thousand due to the increase in the cost sharing formula, reallocation of two Human Resources positions from the Social Development and Administration Unit for \$86.3 thousand, and facilities and furnishings related costs of \$167.2.

(2) New and Enhanced Services:

The 2006 TPH Operating Budget request includes New and Enhanced Services totaling \$6,517.8 thousand net. The proposals are listed in Table 2 - Summary of 2006 New and Enhanced Services. A brief description and justification for each of the proposals is included in the Attachment 1 – Details of 2006 New and Enhanced Services.

These new and enhanced service proposals are classified in the following five categories: 2006 Operating Impact of Capital; Maintenance/Sustainability of Services; Quality Assurance/Risk Management; Service Enhancements – 65 percent Provincially Funded; and Service Enhancements – Fully City Funded.

The first category, 2006 Operating Impact of Capital, includes the on-going non-capital resources that are required in 2006 in order to operationalize the new Integrated Public Health Information System (iPHIS).

The second category, Maintenance/Sustainability of Services, includes those services that TPH currently offers that require resources to maintain and sustain the current service level provided.

The third category, Quality Assurance/Risk Management, includes proposals that will help ensure that basic standards are maintained for quality assurance and risk management.

The fourth category, Service Enhancements – 65 percent Provincially Funded, includes proposed services that will either enhance the current level of service offered on provincially mandated programs or will initiate a new service that will support mandated program compliance and address local needs. The service proposals in this category have been grouped into five primary focus areas – Priority Neighbourhoods, Communicable Disease Control, Health Hazard Reduction, Children and Youth, and Chronic Disease Prevention. The initiatives included in Priority Neighbourhoods are collaborative with other City divisions that provide critical supports in City- identified priority neighbourhoods. Many of the initiatives target at-risk youth.

The fifth category, Service Enhancements – Fully City Funded, includes programs and services that are Council initiatives not mandated or funded by the Province.

In July 2005, the Board of Health approved implementation of the Toronto Public Health Strategic Plan 2005-2009. The TPH requested budget for new and enhanced services aligns with the strategic directions and goals outlined in the TPH Strategic Plan for 2005 to 2009.

The 2006-2010 Capital Budget and Plan that was approved by the Board of Health in July was prepared by TPH before the City released its debt targets for 2006 capital funding. The funding provided by the City for TPH capital projects is expected to be very limited. Therefore, selected proposals that are considered to be eligible for provincial funding in the operating budget have been included in the new and enhanced services request.

Table 4
Summary of 2006 New and Enhanced Services (\$000s)

Priority Classification	Description	2006 Budget Request			Positions	2007 Net Impact
		Gross	Revenue	Net		
2006 Operating Impact of Capital	IPHIS	414.4	269.4	145.0	12.0	107.9
	Compliance with Legislative Standards	-	-	-	-	19.3
Maintenance/Sustainability of Services	1 Management of Web Based Health Information	-	-	-	11.0	44.8
	2 Program Staffing Support	-	-	-	2.0	9.7
	3 Facilities and Space Management	-	-	-	5.0	29.2
	4 Corporate Data Centre TCHIS Support	284.3	184.8	99.5	-	(0.5)

	5 Telephone Counselling and Services Access	216.0	140.4	75.6	4.0	20.9
	6 Facilities State of Good Repair	586.0	155.4	430.7	-	(430.7)
Quality Assurance/ Risk Management	7 Integrating Access and Equity into TPH Services	-	-	-	5.0	24.7
	8 Timely Information for Professional Practice	-	-	-	7.5	51.2
	9 Manager Support for Program Planning and Accountability	-	-	-	4.0	47.8
	10 Strengthen Business Effectiveness and Controls	-	-	-	6.0	55.1
	11 Health Hazard and Tobacco Programs Quality Assurance	132.7	86.2	46.4	3.0	27.0
	12 Healthy Families, Healthy Living and Dental QA	638.9	415.3	223.6	14.0	131.0
	13 Management Tools for Reporting	995.5	647.1	348.4	7.0	(121.0)
	14 Clinical Support for Staff Working with High Risk Clients	364.6	237.0	127.6	4.0	39.4
	Priority Neighbourhoods					
Service Enhancement - 65% Provincially Funded	15 City Food and Hunger Initiatives	272.4	177.1	95.3	5.0	26.4
	16 Toronto's Comprehensive Drug Strategy	249.5	162.2	87.3	4.0	25.0
	17 Substance Abuse Prevention-Youth, Young Adults	294.7	191.6	103.1	10.0	127.6
	18 Community Crisis Response and Recovery	302.3	196.5	105.8	7.0	68.6
	19 Streets to Homes Initiatives	148.6	96.6	52.0	3.0	31.0
	20 Parent and Youth Peer Support	204.5	132.9	71.6	26.0	41.3
	21 One on One Youth Mentoring	71.9	46.7	25.2	1.0	14.8
	22 Supporting Youth in Priority Neighbourhoods	632.4	411.0	221.3	16.0	164.9
	23 Enhancing Parent Skills and Child Development	250.5	162.8	87.7	12.0	232.2
	24 Teen Prenatal and Parenting Program	243.9	158.5	85.4	8.0	141.7
	Communicable Disease Control					
	25 Infection Control for HFA/Shelters	361.9	235.2	126.7	12.0	143.1
	26 Sexual Health Clinics - Scarborough and Jane/Finch	1,148.2	796.4	351.9	17.0	223.2
	27 Day Nursery Immunization Program	267.6	173.9	93.6	10.0	123.1
	28 Hepatitis B and Hepatitis C Prevention	275.2	178.9	96.3	9.0	108.6
	29 Infection Control Support for City Institutions	161.9	105.2	56.7	5.0	64.2
	30 Prevention of Infections in Injection Drug Users	207.4	93.2	114.2	3.0	94.5
	31 Pandemic Influenza Preparedness	760.8	494.5	266.3	13.0	66.2
	32 Preventing Transmission of Sexually Transmitted Infections	258.3	167.9	90.4	6.0	52.3
	Health Hazard Reduction					
	33 Food Safety Requirements	1,001.7	651.1	350.6	12.0	28.8
	34 Home Food Safety Education	435.6	283.1	152.5	5.0	48.9
	35 Environmental Health Hazard Investigation/Management	428.9	278.8	150.1	4.0	38.2
	36 Health Impact Assessment	384.0	249.6	134.4	4.0	38.4
	37 Heat Alert Outreach to Vulnerable Adults	171.7	111.6	60.1	6.0	(2.2)
	Children and Youth					
	38 Children's Dental Health Services	266.5	173.2	93.3	7.8	87.0
	39 Reducing Low Birth Weight	351.2	228.3	122.9	11.0	163.0
	40 Screening for Child Development Problems	274.8	178.6	96.2	11.0	157.1
	41 Healthy Eating in Schools	569.4	370.1	199.3	16.0	160.3

	42 Physical Activity Promotion for Children and Families	643.1	418.0	225.1	13.0	94.1
	43 Public Health Services in Schools	589.3	383.0	206.3	16.0	166.9
	44 STI Prevention in Youth	630.3	409.7	220.6	14.0	128.9
	Chronic Disease Prevention					
	45 Cancer Screening Promotion	273.1	177.5	95.6	15.0	231.6
	46 Workplace Health Promotion	180.4	117.2	63.1	4.0	36.9
Service Enhancement – Fully City Funded	47 Mobile Dental Services for Institutionalized Seniors	190.6	-	190.6	5.0	121.1
	48 Dangerous Dogs Legislation Implementation	529.5	-	529.5	10.0	259.4
	Total New and Enhanced Services	16,664.5	10,146.6	6,517.8	405.3	3,562.9

Conclusions:

The 2006 Public Health Operating Budget submission totals \$214,140.1 thousand gross/\$66,004.5 thousand net. This is \$20,053.6 thousand gross or 10.3 percent above and \$4,787.3 thousand net or 6.8 percent below the funding levels in the 2005 Operating Budget. The submission assumes full provincial cost sharing for eligible programs. Revenue increased by \$13,871.6 thousand due to the change in the Provincial cost sharing formula from 55 percent to 65 percent in 2006.

The net request of \$6,517.8 thousand for New and Enhanced services includes proposals to sustain and stabilize existing services including required quality assurance measures as well as enhancements to mandatory provincial programs and to non-mandatory City of Toronto programs.

The 2006 budget year, with the related provincial funding increase to 65 percent from 55 percent in 2005 offers a crucial opportunity for the City of Toronto to leverage provincial funding to promote and protect the health of the Toronto population. Every \$1 of continued municipal contribution will leverage \$3 in new public health investment. This is a unique and important opportunity to strengthen and stabilize public health services in Toronto.

Contact:

Shirley MacPherson, Director, Support Services,
Toronto Public Health,
Tel: 416-338-7840, Fax: 416-392-0713

Attachment: Attachment 1 - Details of 2006 New and Enhanced Services

(Copy of Attachment 1, entitled “Details of 2006 New and Enhanced Services”, referred to in the report was forwarded to all Members of Council with the Agenda for the January 13, 2006, meeting of the Budget Advisory Committee and a copy is on file in the office of the City Clerk.)

(Communication dated July 27, 2005, addressed to the
Chair, Board of Health, from Councillor Shelley Carroll
entitled “Budget 2006 – Neutering/Spaying of Stray and Feral Cats”)

I am writing to urge the Board of Health to allocate funding within the 2006 Animal Services Budget to create a program for the Spaying and Neutering of stray and feral cats. As you are all aware this program has been the subject of Budget cuts in recent years.

Unfortunately, the City of Toronto has seen a huge increase in the number of stray and feral cats roaming our parks, ravines and streets. Numerous cities around the world have successfully employed stray and feral cat population control programs. Toronto can no longer ignore this significant problem and needs to pursue a Trap, Neuter and Release (TNR) program as a cost-effective and humane way to control the cat population. There are many animal support and rescue groups who have indicated a willingness to work with the City locating, trapping and caring for homeless cats in Toronto. Funding of a TNR program will reduce the number of homeless cats and their offspring, reduce citizen complaints about nuisance cats, and reduce the intake of homeless cats into animal shelters.

The program proposed in previous years did not require significant funding relative to the benefit derived. An investment in this problem will derive a long-term solution to this issue but we must tackle it head-on and not defer any longer.

I thank you for your attention to this serious matter.

For Immediate Release

Friday, July 29, 2005

“Its 3-simple words: Trap, Neuter, Release” – Councillor Shelley Carroll

The problem: cat overpopulation – “Some people are disturbed by the fact that there are stray cats in need of care and that they are vulnerable. Others feel these cats are a nuisance in their communities. Either way you look at it, its a problem.”

Over the past few years, the City of Toronto has experienced an explosion in the Feral Cat population. “I’m calling on my colleagues on the Board of Health to allocate funding to address this serious problem. Our Parks staff is picking up the carcasses of dead feral cats, forced to kill each other to stay alive. By turning our backs on a simple solution, this problem has grown.”

Responding in part to a story published in Friday’s edition of the Toronto Sun and calls to her office from her own constituents, Councillor Carroll has written a letter to Board of Health Chair, Councillor Joe Mihevc. That letter requests that funding be included in Public Health’s 2006 Operating Budget to create a program to Trap Neuter and Release (TNR) feral cats found in City animal shelters, parks and on our streets.

“We’ve just heard an alarming story about 37 cats brought all at once to the Toronto Humane Society by an elderly couple who were trying to save stray cats. This puts a spotlight on an issue that we’ve known about for some time but have failed to act on.” Councillor Carroll’s office had already been preparing the letter to Councillor Mihevc and Medical Officer of Health, Dr. David McKeown when the story was published in the media.

“Other cities have experienced these problems and been able to address them with similar programs as the one proposed. Unfortunately, when it comes to Budget time, this program keeps getting dropped for other priorities. I want to ensure that we follow-through this year to ensure that we are addressing this problem at its roots. An ounce of prevention...”

Media Contacts:

Councillor Shelley Carroll (416) 392-4038
Justin Peters, Executive Assistant (416) 392-4037

(Communication dated October 25, 2005, addressed to the
Budget Advisory Committee from the Board of Health,
entitled “Toronto Public Health 2006 Operating Budget – Motions Referred
from the Board of Health Meeting held on September 26, 2005”)

Recommendations:

The Board of Health recommended to the Budget Advisory Committee that funds from the Toronto Public Health 2006 Operating Budget recovered by the City of Toronto be reallocated to support the:

- (1) \$1.4 million funding request for Child Nutrition Programs;
- (2) Toronto Strong Neighbourhoods Strategy recommended by the Board of Health; and
- (3) City of Toronto’s Aquatic Strategy, including Drown Proof Swimming Lessons for Grade 8 students.

Action taken by the Board:

The Board of Health:

- (1) adopted the recommendations in the communication (October 19, 2005) from the Board of Health Budget Subcommittee, subject to Recommendations (a), (b) and (c) contained in the communication being amended to read as follows:

- “(a) \$1.4 million funding request for Child Nutrition Programs;
- (b) Toronto Strong Neighbourhoods Strategy recommended by the Board of Health;
and

- (c) the City of Toronto's Aquatic Strategy, including Drown Proof Swimming Lessons for Grade 3 students.”; and
- (2) requested the Medical Officer of Health to report, in May 2006, on what models and types of active services exist that have an arms length relationship with the City of Toronto, such as wildlife services; and further that the Medical Officer of Health, in conjunction with the City Manager, provide an appropriate review and recommendations on how to best operate wildlife services.

Background:

The Board of Health on October 24, 2005, considered a communication (October 19, 2005) from the Board of Health Budget Subcommittee, forwarding recommendations from its meeting held on October 19, 2005.

Recommendations:

The Board of Health Budget Subcommittee recommended that the Board of Health recommend to the Budget Advisory Committee that funds from the Toronto Public Health 2006 Operating Budget recovered by the City of Toronto be reallocated to support the:

- (a) \$1.4 million funding request for child nutrition programs;
- (b) strong neighbourhoods investment strategy recommended by the Board of Health; and
- (c) the City of Toronto's aquatic strategy, including drown proof swimming lessons for grade 3 students.

Action taken by the Board of Health Budget Subcommittee:

The Budget Subcommittee also requested the Medical Officer of Health to:

- (i) report back in May, 2006, through the Animal Services Subcommittee, on the City of Toronto's current policies and practices and the mandate of Toronto Public Health with respect to wildlife services, such report to examine the feasibility of supporting the Toronto Wildlife Centre and other community organizations as a means of providing wildlife services to the citizens of Toronto; the possible introduction of a spaying/neutering program and a Trap, Neuter and Release Program; and to outline possible funding options for the 2007 Toronto Public Health Operating Budget approval process;
- (ii) provide, through the Board of Health Budget Subcommittee, more details and information on the creation of a community health innovation grants program for consideration in the 2007 Toronto Public Health Operating Budget; and
- (iii) examine the feasibility of including a proposal for a dental clinic in the north east part of the City for consideration in the 2007 Toronto Public Health Operating Budget.

Nathalie Karvonen, Toronto Wildlife Centre, addressed the Board of Health.

Councillor Shelley Carroll, Ward 33 Don Valley East, also addressed the Board of Health.

(Communication dated October 19, 2005, addressed to the Board of Health from
the Board of Health Budget Subcommittee)

Recommendations:

The Board of Health Budget Subcommittee recommends that the Board of Health recommend to Budget Advisory Committee that funds from the Toronto Public Health 2006 Operating Budget recovered by the City of Toronto be reallocated to support the:

- (a) \$1.4 million funding request for child nutrition programs;
- (b) strong neighbourhoods investment strategy recommended by the Board of Health; and
- (c) the City of Toronto's aquatic strategy, including drown proof swimming lessons for grade 3 students.

Action taken by the Board of Health Budget Subcommittee:

The Budget Subcommittee also requested the Medical Officer of Health to:

- (i). report back in May, 2006, through the Animal Services Subcommittee, on the City of Toronto's current policies and practices and the mandate of Toronto Public Health with respect to wildlife services, such report to examine the feasibility of supporting the Toronto Wildlife Centre and other community organizations as a means of providing wildlife services to the citizens of Toronto; the possible introduction of a spaying/neutering program and a Trap, Neuter and Release Program; and to outline possible funding options for the 2007 Toronto Public Health Operating Budget approval process;
- (ii) provide, through the Board of Health Budget Subcommittee, more details and information on the creation of a community health innovation grants program for consideration in the 2007 Toronto Public Health Operating Budget; and
- (iii) examine the feasibility of including a proposal for a dental clinic in the north east part of the City for consideration in the 2007 Toronto Public Health Operating Budget.

Background:

The Board of Health Budget Subcommittee on October 19, 2005, considered the communication (September 29, 2005) from the Board of Health, advising that the Board, at its meeting on September 26, 2005:

A. referred the following motions placed by members of the Board to the Board of Health Budget Subcommittee for further consideration:

(a) Motion moved by Valerie Sterling:

“That the Medical Officer of Health be requested to include a proposal for a dental clinic in the north east part of the City and that costs for such a proposal be included within the 2006 Toronto Public Health Operating Budget.”

(b) Motion moved by Councillor Glenn De Baeremaeker:

“That the 2006 Toronto Public Health Operating Budget be increased by \$800,000.00 with \$500,000.00 allocated for a Trap/Neuter/Release Program and \$300,000.00 be allocated to the Toronto Wildlife Centre; and that the Medical Officer of Health be requested to report back on the benefits of these programs during consideration of the 2006 Toronto Public Health Operating Budget; and

That the Medical Officer of Health be requested to report back to the Board of Health on the creation of a community health innovation grants program, develop priority issues and provide options for funding levels of \$2 million and \$4 million, such report to be completed in time to be considered with the 2006 Toronto Public Health Operating Budget.”

(c) Motion moved by Councillor Glenn De Baeremaeker:

“That the Medical Officer of Health be requested to report back to a future meeting of the Board on the possible introduction of a spaying/neutering program and a Trap, Neuter and Release Program; such report to be completed in time to be considered with the 2006 Toronto Public Health Operating Budget.”

(d) Motion moved by Councillor Glenn De Baeremaeker:

“That the Medical Officer of Health report back to the Board of Health regarding the merits of supporting the Toronto Wildlife Centre, and other similar groups, as a means of providing Animal Care services to the citizens of Toronto, and outlining possible funding options within the 2006 Toronto Public Health Operating Budget; such report to be completed in-time to be considered with the 2006 Toronto Public Health Operating Budget.”

(e) Motion moved by Councillor Olivia Chow:

“That drown proof swimming lessons for grade 3 students be considered as part of the \$4.8 million collaborative initiatives that promote public health and community safety.”; and

- (f) Motion moved by Councillor Mihevc on behalf of Councillor Chow:

“That the Board of Health submit the \$1.4 million funding request that would provide nutrition program serving 18,000 children and restore the financial stability to existing food program as part of the City and Toronto Public Health’s \$4.8 million collaborative initiatives that promote public health and community safety”.

- B. requested the Board of Health Budget Subcommittee to monitor the progress of budget discussions with the City and report back to the Board of Health as appropriate.

The Medical Officer of Health provided an overview and oral update report on budget discussions with City Finance staff.

The following persons addressed the Board of Health Budget Subcommittee:

- Nathalie Karvonen, Toronto Wildlife Centre; and
- Michael Milne, obo Cat Advocacy Team.

(Communication dated November 29, 2005, addressed to the
Policy and Finance Committee and the Budget Advisory Committee
from the Board of Health, entitled “Dog and Cat Licensing Strategy”)

Recommendation:

The Board of Health recommended to the Policy and Finance Committee and the Budget Advisory Committee, that the 2006 Toronto Public Health Capital Budget be increased by \$1.071 million for the development of an on-line license application and on-line registration and renewal system and that this cost be repaid over a 10-year period from increased revenues as a result of the licensing strategy.

Action taken by the Board of Health:

The Board of Health:

- (1) approved in principle the staff recommendations contained in the Recommendations Section of the report (November 14, 2005) from the Medical Officer of Health, with Recommendation (3) being amended to read as follows, and forwarded to the Policy and Finance Committee and the Budget Advisory Committee, for its consideration:

“(3) the Board of Health reconfirm its recommendation to the Policy and Finance Committee and the Budget Advisory Committee, that the 2006 Toronto Public Health Capital Budget be increased by \$1.071 million for the development of an on-line license application and on-line registration and renewal system and that this cost be repaid over a 10-year period from increased revenues as a result of the licensing strategy;”;

- (2) adopted a further recommendation, as follows:

“That an additional category be included in the schedule of fees in order to be able to accept donations.”;
- (3) referred this matter back to the Chair and the Vice-Chair of the Board of Health, to review the implementation strategy in consultation with Medical Officer of Health, the City Manager and the Auditor General, and report back as soon as possible to the Board of Health; and
- (4) requested the Medical Officer of Health to:
 - (a) write again, on behalf of the Board of Health, to the Attorney General and the Premier, requesting funding for the cost of implementing the *Dog Owner's Liability Act* in the City of Toronto;
 - (b) include the following, when reporting back on this matter:
 - (i) how additional resources raised through the enhanced licensing of cats and dogs could be allocated towards increased neutering and spaying services in the City of Toronto; and
 - (ii) further options for the licensing rates for senior residents on fixed incomes.

Background:

The Board of Health on November 28, 2005, considered the attached report (November 14, 2005) from the Medical Officer of Health, outlining a revenue generation strategy for enhancing the level of animal services in Toronto by increasing the proportion of dogs and cats which are licensed as required by the City's Municipal Code.

Recommendations:

It is recommended that:

- (1) the Medical Officer of Health be authorized to initiate the licensing strategy outlined in this report to increase the proportion of licensed dogs and cats in the City of Toronto;
- (2) the revenue raised through the implementation of the licensing strategy be used first to fund the expenditures required to implement the strategy and repay the capital project debt, and any further revenues beyond this be used to improve the delivery of animal services to the public, subject to approval by the Board of Health and City Council through the annual budget process;

- (3) the Board of Health reconfirm its recommendation to the Budget Advisory Committee and Policy and Finance Committee, that the 2006 Toronto Public Health Capital Budget be increased by \$671.2 thousand for the development of an on-line license application and renewal system and that this cost be repaid over a five year period from increased revenues as a result of the licensing strategy;
- (4) the Board of Health recommend to Budget Advisory Committee that the 2006 Toronto Public Health Operating Budget be increased by \$550.0 thousand in expenditures and \$550.0 thousand in revenue with an additional annualization cost in 2007 for salaries and benefits of \$530.0 thousand gross and \$0.0 net to support the licensing strategy;
- (5) the Medical Officer of Health report to the Board of Health and the Budget Advisory Committee, annually on animal service levels and performance, including progress of the implementation of the licensing strategy prior to the submission of the Toronto Public Health Operating Budget;
- (6) any year end deficit resulting from the licensing strategy initiative be reported to the Board of Health and Budget Advisory Committee and funded from within the Toronto Public Health approved budget for 2006 and beyond;
- (7) this report be referred to the Budget Advisory Committee through Policy and Finance Committee, for consideration in the 2006 budget process; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

The Board of Health also considered a communication (November 24, 2005) from Tim Trow, President, Toronto Humane Society.

The following persons addressed the Board of Health:

- Linda Pitney, who also filed a written submission;
- Heidi Yerashotis, Homeless Cat Rescue; and
- Darin Jackson, Canadian Union of Public Employees, Local 416.

(Report dated November 14, 2005, addressed to the Board of Health
from the Medical Officer of Health)

Purpose:

To outline a revenue generation strategy for enhancing the level of animal services in Toronto by increasing the proportion of dogs and cats which are licensed as required by the City's Municipal Code.

Financial Implications and Impact Statement:

The recommended approach for the Dog and Cat Licensing Strategy provides for all implementation costs of the strategy, including capital costs, and future animal services enhancements to be recovered through the forecast generation of licensing revenues. It is assumed that the revenue generated by this plan will offset expenditures with no net operating budget impact for Public Health in 2006 and beyond. However, the strategy requires 2006 capital costs of \$671.2 thousand.

In 2006, the operating cost for the licensing strategy is projected at \$550.0 thousand, which will be offset by increased revenues of \$550.0 thousand. Seven new permanent positions will be created in 2006, starting in April, with total salaries plus benefits of \$280.0 thousand and a 2007 annualized cost for the seven positions of \$530.0 thousand.

The following table summarizes the projected expenditures for 2006-2010.

Toronto Animal Services
Dog and Cat Licensing Strategy
Estimated Incremental Revenues and Expenditures 2006 – 2010 (\$000's)

Expenditures	2006	2007	2008	2009	2010
Capital Budget Costs	671.2				
Operating Budget Costs					
Salaries and Benefits	285.0	1,035.0	600.0	710.0	175.0
Operating Costs	251.5	614.1	549.1	764.1	374.1
Sub-total - Operating Costs	536.5	1,649.1	1,149.1	1,474.1	549.1
Debt Repayment(1)	13.5	150.9	150.9	150.9	150.9
Revenues	550.0	1,800.0	1,300.0	1,625.0	700.0
Net Operating Cost to City	0	0	0	0	0
Positions (net new FTEs)	7.0	16.4	10.0	7.0	2.0

(1) A final debt repayment of \$150.9 thousand will be required in 2011.

Capital costs of \$671.2 thousand are required in 2006 to develop a web based on-line license application and renewal system. This request was submitted by the Board of Health as part of Toronto Public Health's 2006 Capital Budget Proposal. The costs are not included in the 2006 Proposed Capital Budget, currently being considered by the Budget Advisory Committee. This report recommends that the upfront costs of \$671.2 thousand be repaid over five years from the annual licensing revenue generation.

The license targets and revenue assumptions for 2006 to 2010 are estimates only, based upon comparisons with other municipalities in Canada with licensing initiatives, for the percent of licenses issued versus the potential market. If in 2006, the additional revenues forecasted do not materialize, an operating budget pressure of up to \$550.0 thousand would result and future repayment of capital would need to be funded. It is recommended that any projected year-end deficit resulting from this initiative be reported to the Board of Health and Budget Advisory Committee, and that the capital contribution and any operating deficits be funded from within Toronto Public Health (TPH) under-spending for 2006 and beyond.

The on-going annual operating costs for this initiative would be subject to future year budget processes and reviews.

The Deputy City Manager/Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the Medical Officer of Health be authorized to initiate the licensing strategy outlined in this report to increase the proportion of licensed dogs and cats in the City of Toronto;
- (2) the revenue raised through the implementation of the licensing strategy be used first to fund the expenditures required to implement the strategy and repay the capital project debt, and any further revenues beyond this be used to improve the delivery of animal services to the public, subject to approval by the Board of Health and City Council through the annual budget process;
- (3) the Board of Health reconfirm its recommendation to the Budget Advisory Committee and Policy and Finance Committee, that the 2006 TPH Capital Budget be increased by \$671.2 thousand for the development of an on-line license application and renewal system and that this cost be repaid over a five year period from increased revenues as a result of the licensing strategy;
- (4) the Board of Health recommend to Budget Advisory Committee that the 2006 TPH Operating Budget be increased by \$550.0 thousand in expenditures and \$550.0 thousand in revenue with an additional annualization cost in 2007 for salaries and benefits of \$530.0 thousand gross and \$0.0 net to support the licensing strategy;
- (5) the Medical Officer of Health report to the Board of Health and the Budget Advisory Committee, annually on animal service levels and performance, including progress of the implementation of the licensing strategy prior to the submission of the TPH Operating Budget;
- (6) any year end deficit resulting from the licensing strategy initiative be reported to the Board of Health and Budget Advisory Committee and funded from within the Toronto Public Health approved budget for 2006 and beyond;

- (7) this report be referred to the Budget Advisory Committee through Policy and Finance Committee, for consideration in the 2006 budget process; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of January 17, 2005, the Toronto Board of Health directed the Medical Officer of Health to develop a strategy for increasing revenues in Toronto Animal Services (TAS). The primary impetus for this directive is:

- (a) recent changes to provincial legislation (The Dog Owners' Liability Act), which have significant resource implications for animal services (see Item 12 of the January 17, 2005, meeting of the Toronto Board of Health); and
- (b) continued public demand for animal services that exceed the current capacity of TAS.

Comments:

Introduction:

The core mandate of TAS is to promote public safety through responsible pet ownership. TAS is responsible for the provision of animal sheltering services, public education and enforcement of the City's animal control by-law.

As currently staffed and resourced, TAS is constrained in its ability to provide public education activities and enforce the by-law. TAS has only one Animal Care and Control Officer and a budget of \$27.0 thousand to educate 2.5 million people about safety in interacting with animals, and to educate the owners of the City's approximately 500,000 dogs and cats about responsible pet ownership. In comparison the City of Calgary, which is often cited as a model for animal control services, has three full-time positions dedicated to public education and a supporting budget of \$200.0 thousand for a much smaller human and pet population.

To carry out field activities and enforce the animal control by-law, TAS has approximately one field Animal Care and Control Officer for every 85,000 people living in Toronto. In comparison, the City of Calgary has approximately one field officer for every 45,000 people, the City of Edmonton has one field officer for every 40,000 people and the City of Winnipeg has one field officer for every 50,000 people. In order to address current enforcement demands and the increased demands resulting from changes to the Dog Owners' Liability Act, TAS needs to substantially increase the number of field officers from 30 to 60.

The licensing of dogs and cats provides important community health and safety benefits, including:

- (1) quicker and more frequent re-unification of lost pets with their owners, reducing animal stress and health and safety risks;

- (2) reduced sheltering needs and lower euthanasia rates due to the increased proportion of lost pets re-united with their owners;
- (3) improved ability to plan and deliver animal services because the size, type and location of the dog and cat population will be known;
- (4) improved ability to enforce City by-laws because owners can be identified and held accountable for the behaviour of their animal; and
- (5) improved ability to identify patterns of animal related problems through information linked with the animal's license.

The licensing of dogs and cats also offers a significant opportunity for increasing revenues, which can be used to fund improved service. While the City's bylaws require dogs and cats to be licensed, it is estimated that only 10 percent of Toronto's approximately 250,000 dogs and four percent of the approximately 250,000 cats are currently licensed. In 2006, the proposed levels of licensing (13 percent of dogs and three percent of cats) are forecasted to generate an additional \$550.0 thousand in revenues.

In comparison, the City of Calgary estimates that 85 percent of the dogs in its city are licensed generating over \$3.3 million annually to fund the delivery of Calgary's animal services. In Winnipeg, where the percentage of licensed dogs has been increased from six percent to 60 percent over the last five years, the annual revenues from licenses are over \$700,000.00.

Utilizing the experiences of these and other Canadian municipalities, this report recommends a strategy for increasing the number of licensed dogs and cats. It is anticipated that by December 2010, implementation of this licensing strategy will generate an estimated \$6.0 million in revenues. These additional revenues will cover the implementation costs of the strategy and also provide for improved animal services to the public without further funding from property taxes.

Experiences of other Canadian Municipalities:

Most Canadian municipalities require pet owners to license their dogs, while fewer require cat licensing. However, municipalities differ significantly in their enforcement of these requirements. The following Canadian municipalities were identified as having a large percentage of licensed pets and/or having had recent success in increasing the proportion of licensed dogs and/or cats:

- (1) the City of Calgary where approximately 85 percent of the dog population is licensed;
- (2) the City of Winnipeg where approximately 60 percent of dogs are licensed and the number licensed dogs was increased ten fold over five years;
- (3) the City of London where approximately 70 percent of dogs and 15 percent of cats are licensed and the number of licensed cats was doubled in two years; and

- (4) the City of Edmonton where approximately 45 percent of dogs and 30 percent of cats are licensed and where nearly 30,000 cats were licensed in a six month period.

Through discussions and meetings with staff from these four municipalities a number of common themes emerged for potential application to a licensing strategy for the City of Toronto. Based on their experiences:

- (a) approximately one-third of pet owners will license their pets when informed of the benefits and requirement;
- (b) another one-third of pet owners will license their pets when they understand the benefits and when it becomes clear that the municipality will be enforcing license requirements; and
- (c) the remaining one-third of pet owners will avoid licensing their pet until caught. This group requires more proactive enforcement.

While all the examined municipalities have different political, civic and operating environments, their experiences in licensing pets suggest that the key elements of a licensing strategy should be:

- (i) clear commitment from City Council to the licensing of dogs and cats, reflected in the adoption of a zero tolerance policy for unlicensed pets;
- (ii) significant expenditure of resources on marketing the benefits of, and requirement for, pet licensing;
- (iii) an initial public education message about the value of licensing followed by an early shift to a message that it is required by law to license pets;
- (iv) increased enforcement of licensing requirements; and
- (v) improved capacity of the animal services agency to provide customer service and handle the increased volume of license applications and renewals.

The City of Winnipeg experience, which of the examined municipalities is the closest to the situation found in Toronto, used a strategy that included these major components and increased the number of licensed dogs from around 4,000 to over 40,000 in five years. This represents approximately 60 percent of the city's estimated dog population.

The City of Calgary, which is often identified as a model for municipal animal services, did increase the number of licensed dogs to 70 percent in two years, but they made use of a methodology that is no longer available and which the Director of Toronto's Corporate Access and Privacy Office has advised breaks privacy and confidentiality rules.

The City of London estimates that 70 percent of its dog population is licensed but it has been at this rate for some time and their experiences in maintaining this rate of licensing are more relevant to the development of a strategy for Toronto.

It is important to note that Calgary and Winnipeg already had optimal staffing levels with approximately one field officer to every 45,000 residents before they initiated their licensing strategies. This contributed significantly to the success of their efforts and is a key difference between these cities and Toronto.

Licensing Cats:

The experience of other Canadian municipalities suggests that a strategy incorporating the elements described above will likely be successful in increasing the proportion of licensed dogs. However, the licensing of cats presents different challenges. Only the City of Edmonton, where about 30 percent of the cat population was licensed within six months, has had some success.

Achieving this dramatic increase was not the result of a deliberate strategy but rather occurred because of the media attention generated over what was seen as a very controversial decision of the Edmonton City Council to license cats. Staff from the City of Edmonton believe that the publicity generated through the on going media coverage of the decision caused roughly one-third of the cat owning population to license their cats once they became aware of the requirement and benefits. Since the initial licensing policy was adopted in 2000 the proportion of licensed cats in Edmonton has been maintained but not increased.

While it is apparently more difficult to get people to license their cats, there are community health and safety reasons for making the effort. Both the City of Calgary and City of Winnipeg are currently considering implementing a requirement to license cats. Cats which pose a risk to public safety are rare, but the number of stray cats in most municipalities, including Toronto, is increasing. Licensing offers one tool to address this issue and it is for this reason that Edmonton recently introduced cat licensing and Calgary and Winnipeg are considering it.

Proposed Multi-Year Licensing Strategy:

The following proposed licensing strategy is modeled on the experiences of the municipalities examined and consists of five main components:

- (i) Project Management (2006 to 2009);
- (ii) Marketing and Public Education – Your Pet’s License is a Free Ride Home;
- (iii) Management of License Applications and Renewals;
- (iv) Enhanced Enforcement of the Licensing Requirement of the Animal Control Bylaw; and
- (v) Regular Monitoring and Performance Reporting.

While the proposed strategy is modeled on the best practices of the municipalities examined, it is important to note that these municipalities were already at optimal staffing levels when they started efforts to increase the number of licensed pets. They all had approximately one field officer to every 45,000 residents, which is very different from Toronto which currently has one field officer for every 85,000 residents. As licensing revenues increase, it is imperative to the success of the strategy that those revenues be invested back into the delivery of animal services to sustain and further improve licensing compliance rates and improve field services.

(1) Project Management (2006 to 2009):

The early years of the strategy are critical and require dedicated resources to support implementation. A full time project manager will provide the support necessary to implement the strategy and build the necessary relationships with the media, other City services, external business partners and community stakeholders.

The Project Manager's responsibilities will include:

- (a) developing and implementing components of the strategy and all marketing efforts;
- (b) managing all staff hired or assigned to work on the licensing strategy;
- (c) building a relationship and partnership with the media, other city services, external business partners and community stakeholders; and
- (d) developing and delivering any training required by TAS staff to implement the licensing strategy.

After three years, the licensing strategy will be part of the day to day operations of TAS and the Project Manager's term will end. At that time, responsibility for ongoing implementation of different components of the strategy will be assigned to a supervisor hired to continue its coordination as well as overseeing public education.

(2) Marketing and Public Education – Your Pet's License is a Free Ride Home:

In both the City of Calgary and Winnipeg, marketing is a critical aspect of licensing activities and public education is an essential component of animal services. In Calgary, three staff are dedicated to marketing and public education activities and an annual budget of \$200.0 thousand supports those activities. In Winnipeg, most staff members have some responsibility for public education and almost \$100.0 thousand is spent each year to support these efforts. In comparison, TAS currently has one staff person dedicated to public education with a supporting budget of only \$27.0 thousand.

Both London and Winnipeg have had success with hiring a team of temporary staff for a 16 to 20 week period to attend community events, go door to door identifying residences with pets, following up on lapsed renewals and informing people of the benefit and requirement to license their pet. Using this approach, the City of London more than doubled the number of licensed cats in two years.

To increase the number of licensed pets the City of Toronto must dramatically increase its efforts to market the benefits and requirement of licensing. The proposed marketing and public education component of the licensing strategy consists of utilizing a percentage of the forecasted revenues to:

- (a) increase the funds available to support marketing and public education activities;
- (b) hire a team of seasonal staff early in the strategy to work on educating the public by creating a visible presence for TAS at community events, in city parks, and going door-to-door in selected neighbourhoods; and
- (c) increase TAS's permanent complement of public education staff by one Supervisor, with training in education, to design and set up programs and four field officers (one per community council district) to deliver the programs. The Supervisor would assume the Project Manager's responsibilities for developing and implementing all marketing and public education activities associated with the licensing strategy in 2009.

A summary of the types of marketing activities that will be implemented during the first three years of the strategy is attached to this report in Appendix A.

(3) Management of License Applications and Renewals:

All of the examined municipalities indicated that it must be easy and quick for people to obtain a license and renew that license. Calgary, Edmonton and London all offer license renewal through their municipal web-site and in Calgary it is estimated that close to 80 percent of the renewals are now done this way. All of the examined municipalities to some degree make use of external partners, such as veterinarians and pet stores, to provide license applications and in some instances, sell licenses.

TAS currently makes it very easy for people to license their pet. Licenses can be obtained in person at any animal shelter or civic centre, by mail, or by telephone. In the West Region (Etobicoke) only, the public can also obtain a license from a number of veterinarians and pet stores.

As the number of licensed pets increases, TAS will need to increase its capacity to handle license applications and renewals. This will involve:

- (a) increasing the number of permanent staff to administer the licensing process as volumes increase;
 - (b) developing partnerships with external agencies, such as veterinarians and pet stores to provide license applications to new pet owners and potentially sell licenses;
 - (d) developing in 2006, in partnership with the City's eCity initiative, the capacity for on-line license applications and renewals; and
 - (d) investing in improved financial control systems and procedures.
- (4) Enhanced Enforcement of the Licensing Requirement of the Animal Control Bylaw:

While it is expected that a large percentage of people will willingly license their pets once they become aware of the benefits and requirements, all of the examined municipalities emphasized that there must be strong enforcement to back up the marketing campaign. People must know that there is a penalty for not licensing their pet.

Both the City of Calgary and City of Winnipeg have adopted a zero tolerance policy for unlicensed animals, meaning if someone is found with an unlicensed pet (that cannot be reasonably explained or justified), they receive a fine. There is no grace period, where a person found with an unlicensed pet can acquire a license without penalty. Furthermore, in Winnipeg, if a person has not paid their fine, the Province of Manitoba will not renew their driver's license.

TAS is currently significantly limited in its ability to provide animal control field services, which includes following up on by-law complaints and infractions, such as unlicensed pets. In order to support the licensing strategy with meaningful enforcement, the complement of Animal Care and Control Officers should be gradually increased to levels seen in other Canadian municipalities, with funding to come from increased licensing revenues. Based on the experience of other jurisdictions, a target level of one Animal Care and Control Officer for every 45,000 population is appropriate.

(5) Regular Monitoring and Performance Reporting:

Both the City of Winnipeg and City of London prepare detailed annual reports summarizing the activities of the animal control services for the year and comparing it with past years. The City of Edmonton and City of Calgary have in the past conducted surveys to determine pet populations and assess resident's views on the value of licensing and the services they provide.

There are no recent accurate data on the size and breed distribution of Toronto's dog and cat population. The information used to plan this licensing strategy was based on the surveys done in Edmonton and Calgary. To help in the design and implementation of the strategy, a survey should be done on a regular basis. The survey will also serve as an opportunity for TAS to assess public attitudes toward animal services and satisfaction with services received.

Starting in 2008 and approximately every three years thereafter, TAS should conduct a survey of residents to help estimate the total animal population and assess resident's satisfaction with animal services.

It is recommended that the Medical Officer of Health prior to development of the TAS annual operating budget report annually to the Board of Health and the Budget Advisory Committee on animal service levels and performance, including the implementation of the licensing strategy, so that the affect of increased revenues and plans for animal services for the coming year can be addressed.

Annual License and Revenue Targets for 2006 to 2010:

The City of Toronto's animal control by-law currently requires both dog and cat owners to license their pets. The recommended licensing strategy includes increasing the proportion of both dogs and cats which are licensed, but recognizes that there is a greater need to license dogs for community health and safety reasons and that it is more difficult to get people to license cats. Therefore the first five years of the recommended strategy will focus primarily on increasing the number of licensed dogs.

Based on the experiences of the municipalities examined and taking into consideration the fact that these municipalities had higher per capita staffing and budget levels than currently exists in Toronto, it is forecast that it will take five full years to generate enough revenue to bring TAS to optimal service levels while funding the licensing strategy from license revenues.

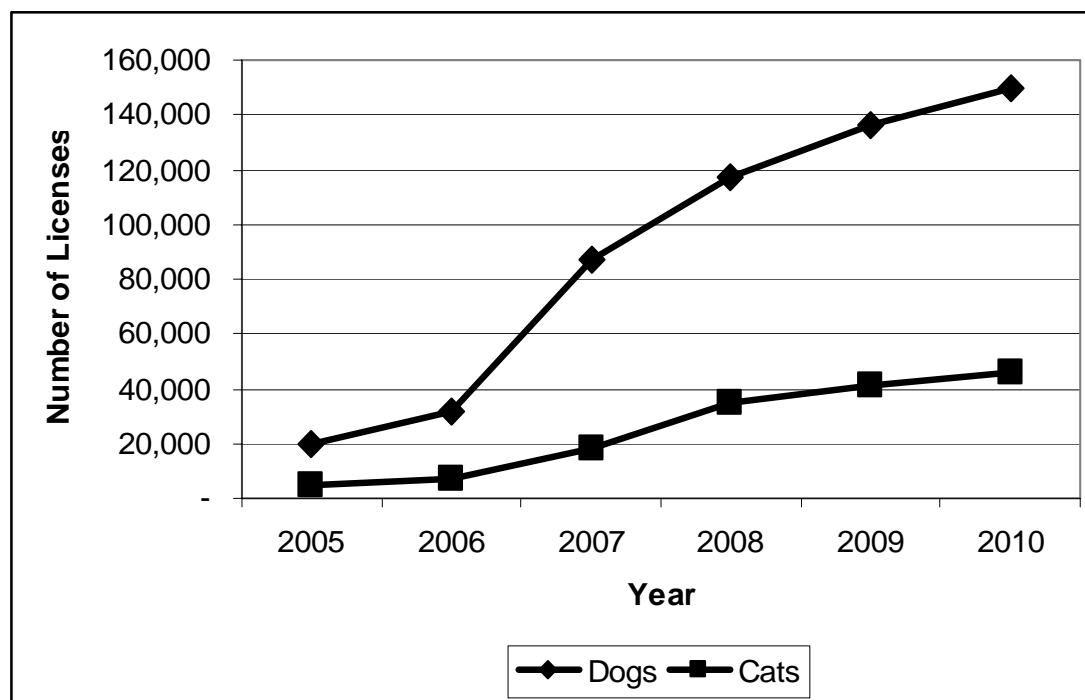
Table 1 and Figure 1 present the license targets and forecast revenues for the first five years of the licensing strategy.

Table 1
Annual License Targets and Revenues, 2005 to 2010, City of Toronto

Year	Number of licensed dogs by year end	Percentage of estimated total dog population licensed	Number of licensed cats by year end	Percentage of estimated total cat population licensed	Forecast revenue (in millions)
2005(1)	20,000	7 percent	4,500	2 percent	\$0.55
2006	32,000	13 percent	7,500	3 percent	\$1.1
2007	87,000	35 percent	18,000	7 percent	\$2.9
2008	117,000	47 percent	35,000	14 percent	\$4.2
2009(2)	136,000	54 percent	41,000	16 percent	\$5.8
2010	150,000	60 percent	45,000	18 percent	\$6.5

- (1) There are 9,300 dogs and 4,600 cats which had lifetime tags at the time of amalgamation and have been grandfathered by TAS. There is no annual license fee for these pets and they have been removed from the license targets.
- (2) It is assumed that license fees will change as identified in Table 2 in 2009.

Figure 1
Annual License Targets, 2006 to 2010, City of Toronto



In the preparation of the targets presented in Table 1 and Figure 1, the following assumptions are made:

- (1) there will be a relatively large increase in the number of licensed pets in the first two years (2006-07) of the licensing strategy reflecting the experiences of other municipalities that approximately 1/3 of the dog owning population will license their dogs once they become aware of the benefits and need;
- (2) given the difficulties experienced by other municipalities in licensing cats, the targeted increase in the number of licensed cats is more incremental and moderate than it is for dogs;
- (3) given the time required due to City administrative and financial processes, the licensing strategy will be formally launched in May 2006;
- (4) there is approximately one dog and one cat for every 10 people living in Toronto;
- (5) the dog and cat population will increase relative to the forecast increase in the City's population;
- (6) the proportion of dogs and cats found in each license category will remain relatively consistent over the forecast period; and

- (7) reflecting increases in the cost of inflation and a desire to encourage people to sterilize their pets, the license fee schedule will change roughly every three to four years with the first change to occur in early 2009 as shown in Table 2.

Table 2
Assumed Changes to License Fees in 2009, City of Toronto

License Type	Fee for License by Year			
	2005		2009	
	Dogs	Cats	Dogs	Cats
Altered and with a microchip	\$20	\$10	\$25	\$10
Altered	\$25	\$15	\$30	\$15
Unaltered and with a microchip	\$35	\$15	\$40	\$30
Unaltered	\$60	\$50	\$65	\$55
Senior owned – altered with or without a microchip	\$20	\$10	\$25	\$10
Senior owned – unaltered and with a microchip	\$25	\$15	\$40	\$30

Note: Altered is defined as pets that have been neutered or spayed.

Expected Licensing Strategy Activities and Service Improvements, 2006 to 2010:

The license targets and revenue forecasts will be updated annually and the allocation of the revenues will be detailed every year as part of the budget process. Table 3 provides an illustration of how the license revenues will be allocated in support of the licensing strategy and to improve animal service levels in the community. Table 4 outlines the type of activities that should occur over the next five years, if annual license targets and revenue forecasts are met.

Table 3
Allocation of Projected Licensing Revenues, 2006 to 2010, City of Toronto

Year	Projected Increase in Revenues (over the \$550.0 thousand generated in 2005)	Expenditures (\$ in 000's)					
		Project Management	Marketing and Surveys	Public Education staff	Enforcement (new ACCOs, tools and equipment)	Managing Licenses and Renewals (staff and online systems)	Shelter Services (staff, tools) and Admin Support
2006	\$550.0	\$75.0	\$200.0	\$0.0	\$255.0	\$20.0	\$0.0
2007	\$2,350.0	\$100.0	\$600.0	\$80.0	\$1,140.0	\$330.0	\$100.0
2008	\$3,650.0	\$100.0	\$855.0	\$100.0	\$1,550.0	\$745.0	\$300.0
2009	\$5,250.0	\$25.0	\$400.0	\$500.0	\$2,650.0	\$1,175.0	\$500.0
2010	\$5,950.0	\$0.0	\$450.0	\$500.0	\$3,325.0	\$875.0	\$800.0

Table 4
Expected License Strategy Activities and Animal Service Improvements,
2006 to 2010, City of Toronto

Year	Licensing Strategy	Service Improvements
2006	<ul style="list-style-type: none"> - hire Project Manager by April - strategy launch in May - marketing in Spring/Summer of benefits and need to license - hire six ACCOs in June/July to support the strategy - development of an on-line license application and renewal system 	
2007	<ul style="list-style-type: none"> - extensive marketing in Spring/Summer - hire team of 14 seasonal staff for Spring/Summer to promote licensing at community events and go door-to-door in selected neighbourhoods - increase the number of license clerks to handle the increased volume of licenses - official launch of the on-line license application and renewal system early in 2007 	<ul style="list-style-type: none"> - increase the number of public education ACCOs - increase the number of field ACCOs and shift focus of the ACCOs hired in 2006 from licensing only to full field service - new equipment and vehicles for increased number of field ACCOs - invest in improvements in the City's animal shelter services
2008	<ul style="list-style-type: none"> - marketing message shifts from benefits to advising residents that the City is moving to zero tolerance for unlicensed pets (a two month amnesty may be offered) - hire a team of 14 seasonal staff for Spring/Summer - increase the number of license clerks to handle increased volume of licenses 	<ul style="list-style-type: none"> - first customer survey - increase the number of field ACCOs (increase in the FTE complement in 2005 by an additional 12 to 15 FTEs by 2008) - implement, in conjunction with licensing strategy marketing, a zero tolerance approach for unlicensed pets. - invest in improvements in the City's animal shelter services
2009	<ul style="list-style-type: none"> - evaluate whether to utilize a team of seasonal staff again - ongoing marketing – messaging and techniques may change as a result of customer survey completed in 2008 - increase the number of license clerks to handle increased volume of licenses - management of the licensing strategy is shifted from the Project Manager to dedicated management in TAS 	<ul style="list-style-type: none"> - increase the number of public education ACCOs to desired complement of 5 FTEs. - increase the number of field ACCOs - new equipment and vehicles for increased number of field and public education ACCOs - invest in improvements in the City's animal shelter services -service revisions identified and implemented as a result of customer survey completed in 2008

Year	Licensing Strategy	Service Improvements
2010	<ul style="list-style-type: none"> - ongoing marketing - increased enforcement supported by increased number of field ACCOs 	<ul style="list-style-type: none"> - increase the number of field ACCOs (the FTE complement should be doubled from 2005 and represent about one field ACCO for every 45,000 residents) - invest in remote computer systems for the field officers allowing access to TAS's databases - invest in improvements in the City's animal shelter services

2006 Expenditures:

In 2006, the licensing strategy requires the creation of seven new positions. These include one Project Manager hired by the end of the first quarter to set up the project and implement initial marketing that should double the number of licensed pets, and hiring an additional six Animal Care and Control Officers in July to support the licensing strategy. The estimated salary and benefits cost for these new positions in 2006 is \$280.0 thousand. The annualized salaries plus benefits cost for these positions in 2007 will be \$530.0 thousand.

In 2006, an additional \$270.0 thousand is required for marketing and promotion activities, operating costs and one time costs associated with setting up the new staff positions.

Table 5 summarizes the expenditures totaling \$550.0 thousand for 2006.

Table 5
Expenditures in 2006 for the Licensing Strategy

Permanent positions		Comments
- Project Manager	One	75 percent - expected to start April '06
- ACCO 1	Six	50 percent - expected to start July '06
Total	Seven	
Expenditures		Comments
- Salaries and Benefits	\$285,000	The annualized cost for the seven new positions in 2007 will be \$530,000.
- Marketing and Promotion	\$200,000	
- Operating costs	\$ 20,600	For example, training, administrative overhead.
- One-time costs	\$ 30,900	For example, office set-up, computers, equipment
- Repayment to capital (on-line system)	\$ 13,500	
Total	\$550,000	

Conclusions:

The City of Toronto Animal Services does not have the capacity to address current and growing service demands. A review of four Canadian municipalities found that there is significant potential to increase revenues by licensing dogs and cats and with those revenues provide the resources necessary to address identified service gaps.

Requiring dog and cat owners to license their pets has been a requirement of Chapter 349 of the City's Municipal Code since July 1999 and was also a requirement in the pre-amalgamation municipalities. Dog and cat licensing offer a number of benefits both for pet owners and for public health and safety.

Other Canadian municipalities have successfully increased the number of licensed pets and by doing so derived these community health and safety benefits while supporting the delivery of animal control services that meet the needs of their community. The City of Toronto can achieve similar benefits by implementing a multi-year Licensing Strategy that includes significant marketing and public education, increased resources for managing licensing applications and renewals, and increased enforcement.

Although the proposed Licensing Strategy is modeled on the best practices of other Canadian municipalities, a key difference between those municipalities and Toronto is that they were already at optimal staffing levels when they initiated efforts to increase the number of licensed pets. Therefore the success of Toronto's Licensing Strategy depends on ensuring that increased licensing revenues are invested to support the licensing strategy and to improve animal services, particularly public education and enforcement.

In the first year (2006) of the Licensing Strategy outlined in this report, it is estimated that an additional \$550.0 thousand in revenues can be generated through the sale of licenses. The expenditures required to achieve this increase in pet licensing will be fully funded through the additional revenues generated. Beginning in 2007, further increases in licensing revenues can be used to start to address service gaps as well as support ongoing implementation of the licensing strategy. Decisions on the level of licensing revenues anticipated and the allocation of those revenues will be made annually as part of the operating budget process.

Based on the experiences of the examined municipalities, successful implementation over the long-term of the Licensing Strategy requires clear and consistent enforcement. To back up efforts to market the benefits of licensing pets and encouraging people to license their pets, the City should adopt a zero tolerance policy with respect to licensing enforcement.

While the Licensing Strategy outlined in this report provides a guideline for future activities, the Board of Health will be required to review every year, as part of the budget process, a proposed business case for the activities in the coming year. The Medical Officer of Health should provide an annual report on animal services for the past year, including implementation of the licensing strategy and comparisons with past years.

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Attachment: Appendix A – TAS Licensing Strategy, Potential Marketing Activities, 2006 to 2008

Appendix A

TAS Licensing Strategy, Potential Marketing Activities, 2006 to 2008

Potential key messages:

- (i) License Me! It is my ticket home;
- (ii) License fees go back into the delivery of animal services and the care of animals; and
- (iii) A license tag is required by law.

Potential marketing focus:

Initial focus will be on the one-third of the pet owning population that will probably license their pet once they become aware of the benefits and bylaw requirements. Eventually, while maintaining the message about the benefits a stronger emphasis will be placed on the bylaw requirement and the fact that there is a fine for failing to license your pet.

May offer a one or two-month amnesty period in late 2007 or early 2008 where people can license their pet and no fine will be levied before beginning to more stringently enforce the license requirements of the bylaw.

Potential activities and timing:

- (1) High profile launch of the licensing strategy – May/June 2006.
- (2) Insert in the City's water bills (450,000 inserts) – March/June 2006, 2007 and 2008.
- (3) Advertising on City bus shelters – May 2006, 2007 and 2008.
- (4) Advertising in the interior of TTC vehicles – 4 weeks in the Spring 2006, 2007 and 2008
- (5) Production and distribution of 11x17 posters to veterinarians, pet stores, kennels, pet groomers, city facilities, etc..
- (6) Ongoing advertising in City publications, such as, the Parks and Recreation Fun Guide and the Toronto Public Library's newsletter Online.
- (7) Ongoing advertising in ethnic, neighbourhood and city-wide newspapers.

- (8) Advertising on the boards of City owned and operated recreation arenas in the Fall 2006, 2007 and 2008.
- (9) Advertising at movie theatres.
- (10) Hiring of 10 permanent Animal Care and Control Officers and one Supervisor in 2006 and 2007, who will be primarily focused in those two years on supporting the Licensing Strategy by attending community events and going door-to-door.
- (11) Hiring 10 to 20 seasonal staff for 20 weeks to provide a presence for TAS in City Parks, community events, and go door-to-door in selected neighbourhoods in 2007 and 2008.
- (12) Offer of an amnesty from the fine for unlicensed pets in late 2007 or early 2008 before beginning to more strictly enforce the license requirements of the Animal Control Bylaw.
- (13) Making licence applications widely available through veterinarians, pet stores, kennels, pet groomers, city facilities, members of council and city bylaw officers.
- (14) Increased public education activities in 2007 and 2008 with hire of an additional full time Public Education Animal Care and Control Officer. Will result in increased presence in schools and promotion of need to license pets.
- (15) Partnering with appropriate existing city events and activities, such as the Environment Days.
- (16) Establishment of a stronger rapport with local media than what exists today.
- (17) Annual or bi-annual community open house at the animal shelters.
- (18) Exploration of potential partnerships with high profile spokespersons and local organizations.

(Communication dated January 20, 2006, addressed to the
Budget Advisory Committee from the Board of Health,
entitled "2006 Toronto Public Health Operating Budget")

Recommendations:

The Board of Health recommended to the Budget Advisory Committee that:

- (1) the Budget Advisory Committee adopt the recommendations of the Board of Health Subcommittee, as follows:

“that the revised Toronto Public Health service requests for 2006 listed in the attached report “2006 Operating Budget – Service Recommendations to meet Budget Advisory Committee Target” from the Medical Officer of Health, be adopted;”
- (2) the Budget Advisory Committee adopt the staff recommendations in the Recommendations Section of the report (January 16, 2006) from the Medical Officer of Health, as follows:
 - (a) a revised TPH 2006 Operating Budget of \$210,765.6 thousand gross and \$64,060.9 thousand net including base budget of \$197,850.9 thousand gross and \$59,729.2 thousand net, and New and Enhanced Services of \$12,914.7 thousand gross and \$4,331.7 thousand net, be approved;

- (b) the revised list of base budget adjustments included in the TPH 2006 operating budget in Table 2, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totalling an increase of \$3,916.7 thousand gross and a reduction of \$11,025.0 thousand net, be approved;
- (c) the 2006 TPH New and Enhanced Services totalling \$12,914.7 thousand gross and \$4,331.7 thousand net as detailed in Appendix 1, “2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target” be approved;
- (d) the report (January 16, 2006) from the Medical Officer of Health, be considered by the Budget Advisory Committee; and
- (e) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Action taken by the Board:

The Board of Health endorsed:

- (i) the recommendation of the Budget Subcommittee contained in the communication (January 12, 2006) from the Board of Health Budget Subcommittee; and
- (ii) the staff recommendations contained in the Recommendation Section of the report (January 16, 2006) from the Medical Officer of Health.

Background:

The Board of Health on January 19, 2006, considered:

- (1) communication (January 12, 2006) from the Board of Health Budget Subcommittee recommending that the Board of Health and the Budget Advisory Committee adopt the revised Toronto Public Health service requests for 2006 listed in the attached report “2006 Operating Budget – Service Recommendations to meet Budget Advisory Committee Target” from the Medical Officer of Health;
- (2) report (January 16, 2006) from the Medical Officer of Health, outlining a revised 2006 Toronto Public Health (TPH) Operating Budget that will meet the proposed funding level for the New and Enhanced Services as recommended by the Budget Advisory Committee (BAC);

Recommendations:

It is recommended that:

- (1) a revised TPH 2006 Operating Budget of \$210,765.6 thousand gross and \$64,060.9 thousand net including base budget of \$197,850.9 thousand gross and \$59,729.2 thousand net, and New and Enhanced Services of \$12,914.7 thousand gross and \$4,331.7 thousand net, be approved;

- (2) the revised list of base budget adjustments included in the TPH 2006 operating budget in Table 2, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totalling an increase of \$3,916.7 thousand gross and a reduction of \$11,025.0 thousand net, be approved;
 - (3) the 2006 TPH New and Enhanced Services totalling \$12,914.7 thousand gross and \$4,331.7 thousand net as detailed in Appendix 1, “2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target” be approved;
 - (4) this report be forwarded to the Budget Advisory Committee for its consideration; and
 - (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.
- (3) communication (January 17, 2006) from Dr. Liana Nolan, President Association of Local Public Health Agencies.(alPHa); and
 - (4) communication (January 19, 2006) from Ann Dembinski, President, Local 79, Canadian Union of Public Employees.

Lily Chang, CUPE Local 79, addressed the Board of Health.

(Communication dated January 12, 2006, addressed to the
Board of Health from the Board of Health Budget Sub-Committee)

Recommendations:

The Board of Health Budget Subcommittee recommends to the Board of Health and Budget Advisory Committee adoption of the revised Toronto Public Health service requests for 2006 listed in the attached report “2006 Operating Budget – Service Recommendations to meet Budget Advisory Committee Target” from the Medical Officer of Health.

Background:

The Board of Health Budget Subcommittee on January 12, 2006, considered the following communications:

- (January 12, 2006) Briefing Note on Proposed Allocation of Additional Provincial Funding for Toronto Public Health in 2006 and 2007 from the Director, Support Services, Toronto Public Health;
- (January 13, 2006) Analyst Briefing Notes; and

- 2006 Operating Budget – Service Recommendations to meet Budget Advisory Committee Target.

The Chair, Councillor Filion, and Medical Officer of Health provided an oral update report on budget discussions with City Finance staff.

(Report dated January 16, 2006, addressed to the Board of Health
from the Medical Officer of Health entitled “2006 Operating
Budget – Service Recommendations to Meet Budget Advisory Committee Target”)

Purpose:

This report outlines a revised 2006 Toronto Public Health (TPH) Operating Budget that will meet the proposed funding level for the New and Enhanced Services as recommended by the Budget Advisory Committee (BAC).

Financial Implications and Impact Statement:

To date the Board of Health (BOH) has adopted recommendations for a TPH 2006 Operating Budget of \$215,475.3 thousand gross/\$66,033.8 thousand net, that is 6.7 percent or \$4,720.4 thousand net below the 2005 net operating budget.

This report proposes a revised TPH 2006 Operating Budget of \$210,765.6 thousand gross/\$64,060.9 thousand net, that is 9.5 percent or \$6,693.3 thousand net below the 2005 net operating budget.

Table 1 below compares the original Board of Health recommended and the revised TPH 2006 Operating Budget. The revised TPH 2006 Operating Budget presented in this report meets the funding level for new and enhanced services recommended by the Budget Advisory Committee (BAC). The proposed TPH 2006 Operating Budget allocates \$6,693.3 thousand as a contribution to other City budget pressures and provides \$12,914.7 thousand gross/\$4,331.7 thousand net for new and enhanced services.

Table 1
Toronto Public Health (TPH)
2006 Revised Operating Budget (\$000)

	2005 Approved Budget	<u>BOH Recommended</u>			<u>Revised</u>			<u>BOH Rec. vs. Rec. Rev'd Change Over/(Under)</u>	
		2006 Base	2006 New/Enh.	2006 Operating Budget	2006 Base	2006 New/Enh.	2006 Operating Budget	2006 Operating Budget	
Gross Expenditures	193,934.2	197,475.6	17,999.7	215,475.3	197,850.9	12,914.7	210,765.6	(4,709.7)	(2.2%)
Revenues	123,180.0	137,988.9	11,452.6	149,441.5	138,121.7	8,583.0	146,704.7	(2,736.8)	(1.8%)
Net Expenditures	70,754.2	59,486.7	65,471.1	66,033.8	59,729.2	4,331.7	64,060.9	(1,972.9)	(3.0%)
Contribution to other City budget pressures				(4,720.4)			(6,693.3)	(1,972.9)	
Positions	1,873.4	1,844.0	420.3	2,264.3	1,847.0	275.3	2,122.3	(142.0)	(6.3%)

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) a revised TPH 2006 Operating Budget of \$210,765.6 thousand gross and \$64,060.9 thousand net including base budget of \$197,850.9 thousand gross and \$59,729.2 thousand net, and New and Enhanced Services of \$12,914.7 thousand gross and \$4,331.7 thousand net, be approved;
- (2) the revised list of base budget adjustments included in the TPH 2006 operating budget in Table 2, "Summary of 2006 Base Changes from 2005 Approved Budget" of this report totalling an increase of \$3,916.7 thousand gross and a reduction of \$11,025.0 thousand net, be approved;
- (3) the 2006 TPH New and Enhanced Services totalling \$12,914.7 thousand gross and \$4,331.7 thousand net as detailed in Appendix 1, "2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target" be approved;
- (4) this report be forwarded to the Budget Advisory Committee for its consideration; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its September 30, 2005 meeting, the BOH recommended a TPH 2006 Operating Budget of \$214,223.6 thousand gross and \$66,033.8 thousand net plus a total net contribution to City pressures of \$4,720.4 thousand. This recommendation includes a base budget of \$197,475.6 thousand gross and \$59,486.7 thousand net, and New and Enhanced Services of \$16,748.0.5 thousand gross and \$6,547.1 thousand net.

At its subsequent meetings of October 24, 2005 and November 9, 2005, the Board of Health recommended additional new and enhanced service proposals in response to new 100 percent provincially funded initiatives totaling \$1,251.7 thousand gross/\$0 net.

The total Board of Health recommended Toronto Public Health 2006 Operating Budget including the additional requests is \$215,475.3 thousand gross and \$66,033.8 thousand net.

At its meeting of January 13, 2006, BAC approved recommendation 2(a) contained in the Analyst Briefing Notes dated January 13, 2006 as follows:

- (2) The 2006 Proposed New/Enhanced Services of \$4.332 million be approved subject to the Board of Health reporting to Budget Advisory Committee in January 2006 with:
 - (a) a priority list of New/Enhanced Services, that meet the \$4.332 million proposed funding level, ensuring that priority be given to sustainability of existing services including facilities state of good repair, quality assurance, and to service areas with compliance shortfalls in meeting Provincial mandates.

This report recommends a revised 2006 TPH Operating Budget including New and Enhanced Services of \$4.332 million net as recommended by the Budget Advisory Committee.

Comments:

The revised TPH 2006 Operating Budget request totals \$210,765.6 thousand gross and \$64,060.9 thousand net. This total includes a base budget of \$197,850.9 thousand gross and \$59,729.2 thousand net and a request for New and Enhanced services totalling \$12,914.7 thousand gross and \$4,331.7 net. The revised budget represents a net reduction of \$6,693.3 thousand or 9.5 percent from the 2005 operating budget.

(1) Base Budget Adjustments:

Base budget adjustments totalling a net decrease of \$11,025.0 thousand are included in the 2006 requested base and are listed in Table 3 – Summary of 2006 Base Budget Changes from 2005 Approved Budget. The revised request of \$59,729.2 thousand net includes an additional \$242.5 thousand from two inter-departmental transfers: transfer of lease payments of \$71.5 thousand net for 1530 Markham Road facility from Facilities and Real Estate division and transfer of \$171.0 thousand net from Transportation division for dead animal pick-up services.

Table 2
Summary of 2006 Base Budget Changes from 2005 Approved Budget
(\$000's)

	Positions	Gross Expenses	Revenues	Net
2005 Approved Operating Budget	1,868.4	187,858.5	118,620.1	69,238.4
In-year approvals and technical adjustments	5.0	6,075.7	4,559.9	1,515.8
2005 Approved Operating Budget	1,873.4	193,934.2	123,180.0	70,754.2
Prior year impacts	(31.4)	(2,702.7)	(2,687.8)	(14.9)
Economic Factors – Payroll	0.0	4,932.0	2,806.9	2,125.1
Economic Factors - Non-Payroll	0.0	730.0	528.8	201.2
Adjusted Base Budget	1,842.0	196,893.5	123,827.9	73,065.6
Other base changes	5.0	957.4	422.2	535.2
Provincial Revenue change	0.0	0.0	13,871.6	(13,871.6)
Total Base Budget Adjustments	(29.3)	3,389.1	14,694.3	(11,305.2)
Total 2006 Base Budget Request	1,847.0	197,850.9	138,121.7	59,729.2
Over (Under) 2005 Approved Budget	(26.4)	3,916.7	14,941.7	(11,025.0)
Over (Under) 2005 Approved Budget (%)	(1.4%)	2.0%	12.1%	(15.6%)

(2) New and Enhanced Services:

The revised list of 2006 New and Enhanced services totalling \$4,331.7 thousand net meets the level of funding recommended by Budget Advisory Committee. The proposals are listed in Appendix 1 – 2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target. This appendix shows the changes from the original BOH recommended New and Enhanced Service budget of \$6,547.1 thousand net. New and Enhanced service proposals that are not included in the revised 2006 Operating Budget are deferred to 2007 on a full year funding basis to avoid annualization pressure in 2008.

Conclusions:

The 2006 TPH Revised Operating Budget totals \$210,765.6 thousand gross/\$64,060.9 thousand net. This is \$16,831.4 thousand gross or 8.7 percent above and \$6,693.3 thousand net or 9.5 percent below the funding levels in the 2005 approved operating budget. The proposed operating budget assumes full provincial cost sharing for eligible programs. Revenue increased by \$13,871.6 thousand due to the change in the Provincial cost sharing formula from 55 percent to 65 percent in 2006.

The net request of \$4,331.7 thousand for New and Enhanced services includes proposals to sustain and stabilize existing services including facilities state of good repair and required quality assurance measures as well as enhancements to mandatory provincial programs and priority neighbourhood initiatives.

Contact:

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Attachment: Appendix 1 – 2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target

(Communication dated January 23, 2006, addressed to the Budget Advisory Committee from the Policy and Finance Committee, entitled “Implementation and Budget Implications of the Toronto Drug Strategy”)

The Policy and Finance Committee on January 23, 2006, concurred with the following recommendations contained in the Recommendations Section of the report (January 9, 2006) from the City Manager:

“It is recommended that:

- (1) this report be referred to Budget Advisory Committee for consideration; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”.

Background:

The Policy and Finance Committee on January 23, 2006, considered a report (January 9, 2006) from the City Manager reporting on implementation and budget implications of the Toronto Drug Strategy.

Recommendations:

It is recommended that:

- (1) this report be referred to Budget Advisory Committee for consideration; and
 - (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.
-

(Report dated January 9, 2006, addressed to the Policy and Finance Committee from the City Manager)

Purpose:

To report on implementation and budget implications of the Toronto Drug Strategy.

Financial Implications and Impact Statement:

Funding to implement the Toronto Drug Strategy is included in the 2006 Operating Budget request for Public Health, consisting of \$249,469.00 gross, \$87,314.00 net, for a dedicated secretariat and \$37,500.00 gross, \$13,125.00 net for the distribution of safer crack use equipment, for a total of \$286,969.00 gross and \$100,349.00 net.

Several of the Toronto Drug Strategy recommendations involve collaboration with other institutions and groups, and therefore, any associated costs will need to be negotiated amongst the stakeholders. Financial requirements that cannot be met within existing divisional budgets will be brought forward to City Council for consideration through the regular budget process.

The Deputy City Manager and Chief Financial Officer has reviewed and concurs with the content of this report.

Recommendations:

It is recommended that:

- (1) this report be referred to Budget Advisory Committee for consideration; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of December 14, 2005, Toronto Council adopted the report, entitled “The Toronto Drug Strategy: A Comprehensive Approach to Alcohol and Other Drugs in the City of Toronto”. In its consideration of that report, Council requested the City Manager, in consultation with the Medical Officer of Health, to report to the Policy and Finance Committee on implementation and budget implications during the 2006 operating budget process. This staff report responds to that request.

Comments:

The Toronto Drug Strategy (TDS) provides a comprehensive framework to more effectively address alcohol and other drug issues in Toronto. The strategy is based on the four key areas of prevention, harm reduction, treatment and enforcement and makes recommendations for action in the following areas:

- (a) Leadership and co-ordination
- (b) Children and families
- (c) Youth
- (d) People who use substances
- (e) Neighbourhoods and communities
- (f) Awareness, education and training, and
- (g) Research and evaluation.

Toronto Drug Strategy Implementation Panel:

A key recommendation of the TDS is to establish an intersectoral committee to oversee implementation (TDS Recommendation 1). To be effective, this body must have the capacity to make decisions and direct actions across relevant systems including municipal, provincial and federal governments and the health, mental health, social service, education and criminal justice sectors. This collaboration model has proven successful in other cities world-wide to facilitate a more integrated, co-ordinated and effective response to alcohol and other drug issues.

Membership of the TDS Implementation Panel to include the Mayor, or designate, the Chief of Police, the Medical Officer of Health, senior City staff, the Chief Executive Officer of the Centre for Addiction and Mental Health, school board trustees and senior staff, representatives from key provincial and federal ministries, representatives from prevention, harm reduction, treatment and enforcement stakeholders in the community-based service sector, business and residents associations, youth and active and/or former substance users.

The TDS Implementation Panel will provide high-level leadership, co-ordination and accountability for implementing the recommendations of the TDS. Specific responsibilities of the Panel will be to:

- (a) confirm implementation priorities;
- (b) develop a work plan with clear timelines and deliverables;
- (c) establish work groups responsible for implementation tasks;
- (d) identify implementation costs and potential sources of funding;
- (e) foster intersectoral co-operation and collaboration;
- (f) produce progress reports that document action taken to date as well as financial contributions and expenditures, and
- (g) monitor emerging issues and develop co-ordinated responses, as appropriate.

It is expected that members of the TDS Implementation Panel will contribute their time and expertise in-kind. The main associated expenses will be honoraria for youth and user representatives. Funding for honoraria is included in the TDS secretariat budget request, as described below.

Toronto Drug Strategy Secretariat:

Successful implementation of the TDS requires dedicated staff (TDS Recommendation 2). This has been the experience of other cities, and is also recommended by the Federation of Canadian Municipalities. A secretariat of four staff is proposed for the TDS including a manager, a policy development officer, a community health officer and a clerk. The key responsibilities of the secretariat will be to:

- (a) manage implementation of the drug strategy;
- (b) provide policy, community development and administration support to the TDS Implementation Panel and associated work groups;
- (c) provide a centralized drug policy function at the City of Toronto;
- (d) co-ordinate efforts with related municipal and community initiatives;
- (e) monitor, develop and facilitate policy and community development responses to emerging substance use issues in the City of Toronto;
- (f) develop and maintain strategic networks and relationships needed to implement recommendations, including with staff in other governments, school boards, health, mental health and social service agencies at both an institutional and community-based level;
- (g) manage budget and financial requirements of the secretariat;
- (h) identify and submit funding proposals for implementation resources, and
- (i) co-ordinate evaluation of the drug strategy.

As noted, one of the responsibilities of the secretariat will be to co-ordinate efforts with related City initiatives, including the Community Safety Plan, the Toronto Strong Neighbourhoods Strategy, the Toronto Youth Strategy and the Streets to Homes Initiative. While each of these initiatives has a distinct mandate and focus, they do have areas of intersection and share a collective goal of creating safe, healthy, inclusive and sustainable communities in Toronto.

Integrating the policy, research and program efforts of each of these initiatives will strengthen the City's response to community issues and avoid any duplication of effort. For example, the TDS has a role to play in promoting community safety by providing a comprehensive response to drug-related issues in the neighbourhoods designated by Council as priority areas for action.

Implications for the 2006 Operating Budget process:

Financial requirements that cannot be met within existing divisional budgets will be brought forward to City Council for consideration through the regular budget process.

Two TDS recommendations have 2006 Operating Budget implications, both which are included in Toronto Public Health's 2006 Operating Budget request. The first request is for new/enhanced funding of \$249,469.00 gross, \$87,314.00 net, for a dedicated City of Toronto secretariat, as discussed above.

The second request is for \$37,500.00 gross, \$13,125.00 net to fund the distribution of safer crack use equipment as an expanded harm reduction outreach and disease prevention measure (TDS Recommendation 26). The equipment includes heat-resistant glass stems with tape for mouthpieces, screens, chop sticks, alcohol wipes, gum, lip balm and information on safer drug use and disease prevention. The cost of each "kit" ranges from one to two dollars depending on the materials included. This request is part of a broader new/enhanced request for the Prevention of Infections in Injection Drug Users.

In summary, the total cost of the TDS implementation, as requested in Public Health's 2006 Operating Budget is \$286,969.00 gross and \$100,439.00 net. These items have been submitted as part of the new/enhanced requests for Toronto Public Health.

Other funding sources:

Some TDS recommendations involve collaboration across institutions, community groups and sectors, such as the Centre for Addiction and Mental Health, police, school boards and community groups. Therefore, any associated implementation costs will need to be negotiated amongst the various stakeholders based on the type and level of contribution each partner can make.

Many of the TDS recommendations fall outside the jurisdiction of the City of Toronto and therefore require the commitment of other governments to act. Recommendation four of the TDS speaks to this need for intergovernmental collaboration to maximize resources and improve our collective response. Substance use is an issue that straddles all jurisdictions and all three governments will need to work together to make a significant difference.

Efforts to improve collaboration are underway at the federal level. Following from Canada's Drug Strategy, Health Canada and the Canadian Centre on Substance Abuse have led the development of a "National Framework for Action to Reduce the Harms Associated with Alcohol, Other Drugs and Substances." The National Framework is meant to complement other drug strategies and actions underway and to support collaborative partnerships in areas of mutual concern. Staff involved in the development of the TDS have and continue to be involved in this national initiative. Opportunities for partnership and collaboration will be identified as the TDS implementation work plan is developed. In addition, TDS staff in Public Health have been invited to participate in the development of a drug strategy for Ontario, which is being led by the federal Health Education Enforcement Partnership (or HEP).

Federal funding is available under the Canada Drug Strategy Community Initiatives Fund. Toronto Public Health received \$58,400.00 under this fund for the public consultation process and a site research visit to Vancouver, as part of the developmental work for the Toronto Drug Strategy. Several of the Toronto Drug Strategy recommendations meet the criteria and funding priorities of this federal fund, which is focused on prevention and harm reduction initiatives at the local level. The next funding call for the Canada Drug Strategy Community Initiatives Fund is expected in mid-2006 and proposals will be submitted, as appropriate.

The City of Toronto also has access to federal and provincial funding that has been secured for other related City strategies such as affordable housing development. It is therefore expected that the recommendation to develop harm reduction housing can be met with those resources (TDS Recommendation 44). Some developmental work will need to be done with respect to this action in order to determine housing models that are appropriate for Toronto.

The Province does not have a co-ordinated policy or strategy on substance use. However, the Province legislates, regulates and funds government, institutional and community responses in a number of key areas including public health, primary health care, mental health and addiction services, social assistance, education, law enforcement and corrections. Opportunities to access provincial funding in these areas in order to implement TDS recommendations will be pursued.

All provincial and federal contributions to Toronto Drug Strategy implementation will be reported out through the progress reports of the Implementation Panel.

Conclusions:

The TDS provides a comprehensive framework to more effectively address alcohol and other drug issues in Toronto and includes actions in the four key areas of prevention, harm reduction, treatment and enforcement. In this way, the TDS has a role to play in responding to City Council's priority of strengthening Toronto's at-risk neighbourhoods. An intersectoral Toronto Drug Strategy Implementation Panel will oversee implementation of the strategy and facilitate a more co-ordinated and effective response to alcohol and other drug issues in Toronto. A dedicated secretariat is required to support the Panel and provide a municipal drug policy co-ordination function.

Funding to implement the Toronto Drug Strategy is included in the 2006 Operating Budget request for Public Health, consisting of \$249,469.00 gross, \$87,314.00 net, for a dedicated secretariat and \$37,500.00 gross, \$13,125.00 net for the distribution of safer crack use

equipment, for a total of \$286,969.00 gross and \$100,349.00 net. Several of the TDS recommendations involve collaboration with other institutions and groups, and therefore, any associated costs will need to be negotiated amongst the stakeholders. Financial requirements that cannot be met within existing divisional budgets will be brought forward to City Council for consideration through the regular budget process.

Many TDS recommendations fall outside the jurisdiction of the City of Toronto and therefore require the commitment of other governments to act. Any opportunities to access federal and provincial funds to implement TDS recommendations will be pursued.

Contact:

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(Communication dated January 12, 2006, addressed to the
Budget Advisory Committee from the Community Services Committee,
entitled "Update on the Rent Bank and Analysis of Administrative Costs")

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council adopt the recommendation of the Tenant Defence Sub-Committee in the communication (January 6, 2006) from the Sub-Committee.

Background:

The Community Services Committee on January 12, 2006, considered a communication (January 6, 2006) from the Tenant Defence Sub-Committee advising that the Sub-Committee on January 6, 2006, recommended to the Community Services Committee that City Council adopt the following staff recommendations (1), (2) and (4) in the Recommendations Section of the report (December 13, 2005) from the General Manager, Shelter, Support and Housing Administration:

- “(1) a one-time allocation of up to \$50,000.00 to Neighbourhood Information Post be approved from the 2006 City of Toronto Homelessness Initiatives Fund to cover the anticipated shortfall in administration costs of the provincial rent bank program, subject to the 2006 Operating Budget process;
 - (2) Council request the Ministry of Municipal Affairs and Housing to commit to ongoing funding for the provincial component of the rent bank program, including an increase in administrative funding to reflect the actual cost of delivering the program; and
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”
-

(Communication dated January 6, 2006, addressed to the Community Services Committee from the Tenant Defence Sub-Committee)

Recommendation:

The Tenant Defence Sub-Committee recommended to the Community Services Committee that City Council adopt staff Recommendations (1), (2), and (4) in the recommendations section of the report (December 13, 2005) from the General Manager, Shelter, Support and Housing Administration.

Background:

The Tenant Defence Sub-Committee on January 6, 2006, considered a report (December 13, 2005) from the General Manager, Shelter, Support and Housing Administration, providing an update on the rent bank program, including an analysis of administrative costs associated with the program, and recommending a one-time allocation of funding from the City of Toronto Homelessness Initiatives Fund in 2006 to cover the anticipated shortfall in administrative funds.

Recommendations:

It is recommended that:

- (1) a one-time allocation of up to \$50,000.00 to Neighbourhood Information Post be approved from the 2006 City of Toronto Homelessness Initiatives Fund to cover the anticipated shortfall in administration costs of the provincial rent bank program, subject to the 2006 operating budget process;
- (2) Council request the Ministry of Municipal Affairs and Housing to commit to ongoing funding for the provincial component of the rent bank program, including an increase in administrative funding to reflect the actual cost of delivering the program;
- (3) this report be forwarded to the next meeting of the Community Services Committee for their consideration; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated December 13, 2005, addressed to the
Tenant Defence Sub-Committee from the
General Manager, Shelter, Support and Housing Administration)

Purpose:

To provide an update on the rent bank program, including an analysis of administrative costs associated with the program, and to recommend a one-time allocation of funding from the City of Toronto Homelessness Initiatives Fund in 2006 to cover the anticipated shortfall in administrative funds.

Financial Implications and Impact Statement:

This report recommends approval of one-time funding of up to \$50,000.00 from the approved 2006 funding allocations for the City of Toronto Homelessness Initiatives Fund in the 2006 Community Partnership and Investment Program (CPIP) Budget. The allocation is subject to the 2006 Operating Budget process.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) a one-time allocation of up to \$50,000.00 to Neighbourhood Information Post be approved from the 2006 City of Toronto Homelessness Initiatives Fund to cover the anticipated shortfall in administration costs of the provincial rent bank program, subject to the 2006 operating budget process;
- (2) Council request the Ministry of Municipal Affairs and Housing to commit to ongoing funding for the provincial component of the rent bank program, including an increase in administrative funding to reflect the actual cost of delivering the program;
- (3) this report be forwarded to the next meeting of the Community Services Committee for their consideration; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In March 2004, the Ministry of Municipal Affairs and Housing announced that it would provide funding of \$2,174,833.00 (plus any accrued interest) to the City of Toronto for a rent bank. The Ministry of Municipal Affairs and Housing (MMAH) required that all funds be expended over at least a two year period, and that period ends December 31, 2006. Up to 10 percent of this amount was permitted for administrative costs, regardless of the delivery model or program design adopted by recipient municipalities.

In September 2004, Council approved the program design and implementation strategy for the new provincial rent bank program. The delivery model for the new provincial rent bank program was based on the Toronto rent bank program. Both are delivered by a network of seven local access centres located across the city, with overall management by a central administrative agency (locations and service areas are listed in Appendix A). This delivery model provides clients with a one-window access to a range of complementary services to prevent evictions. Centralized oversight ensures consistency and administrative efficiency.

The Toronto Rent Bank is funded by the City of Toronto Homelessness Initiatives Fund (CT-HIF). It provides modest loans to pay rent arrears in order to help families with children avoid eviction. The new provincial funding permitted eligibility to be expanded to include singles and couples without children, as well as families. The two rent bank programs complement each other -- applications from families are first processed through the Toronto rent bank to ensure these applications remain a priority, and when the Toronto rent bank exhausts its loan funds, the applications are then funded through the provincial rent bank. The eligibility criteria and loan repayment policy are the same for both rent bank programs, and are set out in Appendix B.

The Toronto and provincial rent bank programs were not merged because the provincial funding was given on a one-time basis only, and expires December 31, 2006. In the event that no additional funds would be forthcoming from the province, the original Toronto rent bank program was kept intact. However, the programs are jointly managed and delivered to improve the quality of service.

In September 2003, Council approved a one-time allocation of \$400,000.00 from the Supporting Communities Partnership Initiative (SCPI) to help with administration of the Toronto rent bank program.

Council directed staff to report to the Tenant Defence Sub-Committee and the Community Services Committee after the first 12 months of operation on the following matters:

- (1) a comprehensive analysis of costs to administer both the provincial rent bank program and the Toronto rent bank;
- (2) the components of these costs, what services are specifically provided and at what cost; and
- (3) recommendations for reducing the administrative component of the program.

This report responds to Council's direction.

Comments:

Following Council approval of the provincial rent bank program, a grant agreement was signed with MMAH to access funding for the new provincial rent bank. Service agreements for delivery of the new program were entered into with each of the seven access centres and the central administrative agency, and start-up preparations (including the hiring of new staff and installation of systems for on-line applications) began October 1, 2004. The centres began accepting new applications for the provincial program in the second week of November.

The following table sets out the total funds available for both the Toronto and provincial rent bank programs, divided into funds allocated to loans, and funds allocated to administration costs. The provincial funds cover a 27-month period, from when the program began on October 1, 2004, up until the last date for using the funds, December 31, 2006. The Toronto funds cover the same period of time. The SCPI funding is allocated for just 18 months (from October 1, 2004 until March 31, 2006). The total amount of funds available for both programs over the 27 month period is \$3,527,681.00.

	Loan Fund	Administration Costs	Total	Funding Source
Toronto Rent Bank	\$495,000	\$445,758	\$940,758	CT-HIF
Provincial Rent Bank	\$1,957,350	*\$229,573	*\$2,186,923	MMAH
One-time Administration Costs		\$400,000	\$400,000	SCPI
Total	\$2,452,350	\$1,075,331	\$3,527,681	

* includes an estimate of 10 percent of interest earnings until December 31, 2006.

As indicated in the table, for both rent bank programs combined, the majority of funding (about 70 percent) is allocated to loan funds, and the remaining 30 percent is allocated to administration costs. Funding permitted by MMAH for administration of the provincial rent bank was capped at 10 percent. As a result, it has been necessary to use one-time funds from SCPI to support start up costs and needed improvements to administrative processes in order to accommodate the new provincial program in addition to the existing Toronto rent bank program. Information about how SCPI funding was allocated between the two programs is not available as the programs are managed jointly. The SCPI funds were used to fund additional staffing for processing the increased number of loans, and development of web-based loan application forms to ensure efficient and timely processing of loans from both rent banks. It has also been necessary to use administrative funds from the Toronto rent bank to support operations of the provincial rent bank.

Analysis of Administration Costs:

Between October 1, 2004, and September 30, 2005, administration costs totalled \$546,117.00:

- (a) staff salaries and benefits: \$414,548.00 (76 percent);
- (b) program expenditures (including rent, honoraria, program supplies, staff training, professional fees, travel, and computer equipment purchases): \$88,575.00 (16 percent); and
- (c) overhead expenditures (including building operational costs, audit/legal/bank charges, office materials/supplies, and administrative staff support): \$42,994.00 (eight percent).

More detailed information about administration costs is set out in Appendix C.

Of this total, \$322,000.00 was allocated to the seven access centres, and \$224,117.00 to the central administrative agency. The funding to the central administrative agency includes an additional \$37,622.00 for one-time start-up costs for installation of a computer system, and professional services related to developing web based software for loan applications and accessing a high-speed internet connection for management of the applications. Administrative costs in the second year of operations should be lower as this one-time start up cost will no longer apply.

The majority of administrative costs are for salaries and wages in the local access centres, as the work is labour intensive. Currently the two rent bank programs have a total staff complement of 11 full-time staff equivalents (FTEs), with one FTE at each of the seven access centres and four FTEs at the central administrative agency. The Toronto rent bank required 4.35 FTEs to manage a loan fund of about \$220,000.00 annually. Although the provincial loan fund is more than five times larger, only 6.65 new FTEs were added. The web based application management business process, existing effective management practices, and economies of scale permitted a significant expansion in the program with a comparatively minor increase in staffing costs.

Service Model:

The rent bank programs are delivered through seven community based access centres, with oversight by a central administrative agency. Overhead costs have been reduced due to locating rent bank staff in existing housing help centres rather than renting and outfitting separate locations.

The local access centers provide front line customer services, including accepting applications and assessing eligibility (including a financial assessment), contacting landlords to stop the eviction process and arrange payment of rent owing, and providing intensive eviction prevention supports to prevent imminent evictions and other supports to help the client stabilize their housing situation and prevent future evictions. Central administration is responsible for overall business activities for all local access centres including financial administration, processing loans and payments, consolidated performance and financial reporting, development of business processes, communications and appeals.

As local access centres are co-located with other housing help projects, applicants not eligible for a loan and clients who might benefit from a housing help service can be easily referred to other support services provided by the agency. Having an access centre in every part of the City makes the services more accessible to people in need. It also reduces the time it takes to apply for and obtain a loan, which is important since once an eviction process has begun, there is little time to take action to prevent the eviction. A list of functions of the central administrative agency and the local access centres is provided in Appendix D, and an example case study of a rent bank process is provided in Appendix E.

Service Analysis:

As stated earlier, the largest component of administrative costs is staffing (76 percent); costs for overhead (eight percent) and program expenditures (16 percent) are somewhat fixed.

The rent bank programs provide interest-free, repayable loan programs and, therefore, the process for delivering the rent bank loans is labour intensive. In addition, since applications are made when eviction is imminent, the loan must be processed as quickly as possible to pay the rent owed and stop the eviction.

Most of the staffing cost goes to the application and intake process, as this process is comparable to applying for a loan from a financial institution. A local access centre worker will spend an average of about three hours per application on intake. The intake worker must conduct a thorough assessment of the client's housing needs using a 10-page application form that gathers

information about income, family composition, housing situation, stage of eviction, and landlord information. The central administrative worker will then spend almost two hours per application verifying the documentation, including contacts with the landlord, and determining the client's eligibility against a list of prescribed criteria and program guidelines regarding the maximum amount of loan permitted (\$2,500.00 or two months' rent) and duration of arrears (no more than two months). The central administrative worker is responsible for approving the loan. An average of nine interactions per application is required through phone calls and personal interviews with the applicant, the landlord, the employer or income provider for verification, mediation, negotiation of repayment schedules, and issuance of cheques. The entire process from intake to loan payment normally requires from four to seven business days, but often because of the urgency of most applications, staff process applications in as few as three business days.

There is a large amount of follow-up work required to address the housing situation of the client and the loan repayment after the loan is approved. The access centre worker will contact the client at three months, six months and one year past the loan date, to ensure that the client's housing situation remains stable and to determine whether or not they need further assistance from rent bank staff. For example, if the client wants to move out of their current housing, the worker will link the client with housing help services to find other suitable accommodation. This process of assessing housing stability will often take 1 hour to 1.5 hours for each client and involves calls to the client or the landlord, or meetings with the client to confirm their housing status.

In addition, the central administrative worker will spend an average of 1.5 hours on collecting repayments from the client and keeping accounting records for the repayment. The worker will contact the client to determine how well the repayment plan is working and ensure that it is not contributing to new arrears or unnecessary hardship. If the repayment affects the clients' housing stability, the worker will collaborate with the access centre worker to provide an appropriate intervention, which may include budgeting assistance, information and referral about supports offered by other agencies, case management to provide coordination where more than one agency must be involved in resolving an issue, counselling, and working with the client to revise their service agreement (e.g., reduce monthly repayment amount, or stop repayment collection for one or two months). Detailed information about the services provided by the local access center and central administration are provided in Appendix D.

Results:

During the first 12 months, from October 1, 2004, until September 30, 2005, rent bank agencies received 2,060 inquiries. They helped approximately 1,367 households apply for rent bank loans from both programs, of which 701 were approved: 446 were families, 215 were single persons, 20 were couples without children and 20 were other eligible households (e.g., relatives living together). A total of \$1,201,019.00 in loans were approved. Families with children received 64 percent of the loan funds, single persons (e.g., adults, seniors and youths) received 30 percent, and five percent was loaned to couples without children and other households.

Funding for Administration:

Prior to the introduction of the provincial rent bank, about 46 percent of program costs for the Toronto rent bank were allocated to administration. Currently 30 percent of funds for both programs are allocated to administration.

On average, rent bank staff for both programs currently carry almost twice the application workload as compared to Toronto rent bank operations before inception of the provincial rent bank (1:64 as compared to 1:36). Staff are responsible for managing twice the amount of loan funds (1:\$108,970.00) currently, as compared to prior operations of the Toronto rent bank (1:\$50,575.00). The result is that clients may not be served as quickly as needed to avoid eviction, less follow-up work is done to stabilize the clients than is necessary, and ensuring good risk management and financial management practices is a challenge.

Furthermore, although loan funds are available from the province for the last quarter of 2006, there is not enough administrative funding remaining to deliver the program during that period. As mentioned earlier, funding from SCPI and CT-HIF have been used to pay administration costs for the provincial rent bank because of the 10 percent provincial cap on administration costs. When SCPI funding expires in March 2006, administration will be funded through CT-HIF (\$147,967.00) and the provincial rent bank program (\$278,905.00) for the period April 1, 2006 to December 31, 2006. The combined funding will amount to \$426,872.00, resulting in a shortfall of \$48,323.00. It is therefore recommended that additional funds of up to \$50,000.00 be allocated for this purpose.

The administration costs allocated are reasonable, but too low. Even with the expanded eligibility, increased staff resources, the holistic service approach and the approval process, the administration costs represent 30 percent of total funding available for both rent bank programs. This proportion is consistent with other Ontario municipalities. An analysis of the administrative costs of rent bank programs in other Ontario municipalities conducted by the Ministry of Municipal Affairs and Housing prior to the inception of the Provincial Rent Bank found that several larger municipalities (such as Ottawa, and the regions of Durham and Waterloo) which had similar loans based programs spent an average of 31 percent of program costs on administration. It is possible that the percentage of total funding for administration has reduced for those municipalities as a result of the provincial rent bank funding, as it has for Toronto, however, more recent data is not available.

Analysis of Possible Reductions to Administrative Costs:

Administrative costs might be reduced if the rent bank programs were changed from loan programs to grants programs. Payment of a one-time grant with no follow-up to ensure stability of the client's housing situation or to require repayments of the loans would require less work. This approach was used in four other municipalities prior to the provincial rent bank funding. Peel reported administration costs of 29 percent; no information is available for the other three municipalities that operate grant-based rent banks.

It is not recommended that the program be changed from loans to grants. The potential savings are likely to be marginal. Furthermore, during consultation with various community agencies before the provincial rent bank was approved, all agencies agreed that the new program should

be a loan program with flexibility for loan forgiveness in special situations, rather than a grant-giving program with no obligations for repayment. This approach prevents funds from being exhausted in a short time, provides more opportunities for loans as a result of money being returned to the loan fund, and provides a more dignified approach to helping people.

Administrative costs might be reduced if rent bank support services related to stabilizing people in housing after the eviction notice has been rescinded were cancelled, and provided instead by other housing help and eviction projects. However, the services provided by the rent bank programs are not identical to those provided by the housing help sector. The rent bank approach is based on case management, is very intensive, must be implemented in a short period of time because its clients are at imminent risk of eviction, and measures to stabilize housing in the future are integral to determining repayment rates and mediating with the landlord to rescind the original notice. In contrast, housing help projects focus on helping homeless or at-risk clients to find and keep housing, and provide services such as mediation or referrals to income support programs. Housing help clients may not be facing imminent eviction, so there is less urgency in the delivery of services, and the availability of specialized services such as mediation is limited in the housing help sector. Providing loans without stabilization supports may prevent an eviction in the first instance, but will not help the client make changes required to avoid eviction in the future. A comparison between rent bank services and housing help services is provided in Appendix F.

This report does not recommend reductions to administrative costs. The existing program model is working well for clients, prospective clients and the non-profit agencies delivering the program on behalf of the City. Any material reduction to the administration budgets would require significant changes to the program design, and may cause additional start-up costs for staff retraining and modification of business processes.

The administrative costs are too low for the work required to implement the program. Therefore, in addition to recommending that the province provide ongoing funding for loans, the province should be requested to increase funding for administration so that it will cover the actual costs.

Conclusions:

The provincial rent bank and Toronto rent bank have been effective in helping low-income individuals, families and couples with rent arrears to avoid eviction. The provincial program ends December 31, 2006, and it is recommended that the province commit to providing ongoing funding to continue the program, including a reasonable allowance for administrative costs.

Administration costs represent approximately 30 percent of total program costs. The percentage reflects the program delivery method which is highly labour intensive and delivered through multiple access points. The rate is consistent with the rate for other larger municipalities with loan-based programs.

At its inception, the provincial rent bank program was not given sufficient administrative funding from the province, and administration costs have therefore been covered by SCPI and the City of Toronto Homelessness Initiatives Fund (CT-HIF). With expiry of SCPI funding in March 2006, additional funds are needed to continue delivery of the provincial loan fund until the end of 2006. It is recommended that a one-time allocation of up to \$50,000.00 be approved from CT-HIF to cover the shortfall in administration costs.

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List of Attachments:

- Appendix A: Location and Service Areas of Rent Bank Local Access Centres and Central Administrative Agency
- Appendix B: Provincial Rent Bank Program Design and Implementation Strategy
- Appendix C: Administrative Cost Components of Rent Bank Agencies between October 1, 2004 and September 30, 2005
- Appendix D: Rent Bank Services provided by Local Access Centres and the Central Administration Agency
- Appendix E: Case Example of the Application Process for a Rent Bank Loan
- Appendix F: Comparison between Rent Bank Services and Housing Help Services

Appendix A

Location and Service Areas of Rent Bank Local Access Centres
and Central Administrative Agency

The following are the Local Access Centres, the Central Administrative Agency and their service areas:

Organization	Ward	Wards Served	Community Council
Albion Neighbourhood Services/ Etobicoke Housing Help Centre North Site: 1530 Albion Road South Site: LAMP, 185 5 th Street	01 Etobicoke North	1,2,3,4,5,6	Etobicoke York Community Council
COSTI/North York Centre 1700 Wilson Avenue, Suite 114	07 York West	7,8,9,10,12, 15,16,23,24,2 5,33, 34	Etobicoke York Community Council; North York Community Council

East York/East Toronto Family Resources 91 Barrington Avenue	31 Beaches - East York	29,31	Toronto and East York Community Council
Neighbourhood Information Post 269 Gerrard Street East Note: also serves as central administrative agency	28 Toronto Centre Rosedale	13,14,17,18,1 9,20, 21,22,26,27,2 8,34	Etobicoke York Community Council; Toronto and East York Community Council
Scarborough Housing Help Centre 780 Birchmount Avenue	35 Scarborough Southwest	35-44	Scarborough Community Council
Woodgreen Community Centre 835 Queen Street East	30 Toronto Danforth	30,32	Toronto and East York Community Council
York Community Services 1651 Keele Street	12 York South - Weston	11,12,21	Etobicoke York Community Council; Toronto and East York Community Council

Appendix B

Provincial Rent Bank Program Design and Implementation Strategy

Eligibility for assistance from the provincial rent bank program includes, in addition to families, single people and couples without children, subject to the same terms that apply for eligibility under the Toronto Rent Bank:

- (a) must be in imminent danger of losing their housing due to rental arrears;
- (b) must not be more than 2 months in rental arrears;
- (c) have steady employment-related income;
- (d) must be Canadian citizens, conventional refugees, landed immigrants or permanent residents (not refugee claimants or Visa students);
- (e) housing must be sustainable (there should be a reasonable amount of disposable income to sustain housing);
- (f) must be covered under the current residential tenancy legislation;
- (g) must be paying market rent (unsubsidized);
- (h) must not be in receipt of social assistance; and
- (i) landlords have to be willing to maintain the tenancy.

The total loan must not exceed two months rent, and funds cannot be used for first and/or last months rent.

The loan amount is directly payable to the landlord.

The flexible repayment policy as is currently applied under the Toronto rent bank also applies to provincial rent bank loans.

Appendix C

Administrative Cost Components of Rent Bank Agencies between October 1, 2004 and September 30, 2005

Category	Seven Access Centres		Neighbourhood Information Post - Central Administration	Total	Percent to Grand Total
Staff Salary and Benefits	Salaries	220,748.84	146993.89		
	Benefits	34,058.19	12747.29		
Program Expenditures	Sub Total	\$254,807.03	\$159,741.18	\$414,548.21	75.91%
	Rent	10,558.00			
	Honoraria	350.00			
	Program Supplies	9,338.00			
	Staff Training	1,071.00			
	Professional Fees	2,794.99	3,793.69		
	Travel	3,535.69	460.93		
	Equipment Purchased	5,890.00			
	Other Program Costs	8,108.27	5,052.66		
	Capital Start-Up		37,621.75		
	Sub Total	\$41,645.95	\$46,929.03	\$88,574.98	16.22%
Overhead Expenditure	Building Operational Costs	3,062.40	2,340.90		
	Audit/Legal/Bank Charges	2,133.81	12,884.64		
	Office Materials/Supplies	5,847.82	2,221.00		
	Administration and Staff Support	13,868.00			

	Other (please specify)	635.00			
	Sub Total	\$25,547.03	\$17,446.54	\$42,993.57	7.87%
Grand Total		\$322,000.01	\$224,116.75	\$546,116.76	100%

Appendix D

Rent Bank Services provided by Local Access Centres and the Central Administration Agency

Local Access Centres	Central Administration Agency
<ul style="list-style-type: none"> - Accepts applications for rent bank loans from applicants - Determines if the client has exhausted other means of assistance and if the client would benefit from getting a loan to avoid eviction - Determines client eligibility based on prescribed criteria - Refers applicants not eligible for rent bank to appropriate community agencies (e.g. legal clinics, social services shelter fund) - Collects and verifies all documentation needed to process the loan, such as pay stubs, notice or application to terminate tenancy, rental lease, bank statements, etc. and forwards documentation to central administration - Attempts to mediate and negotiate with the landlord to prevent the eviction - Provides counselling services and assists clients in finding alternative rental housing as needed - Negotiates with the applicant the service agreement for receiving a loan and loan repayment arrangements - Conducts follow-ups with loan recipients a minimum of three times – at three, six, and 12 months - Assists central administration with outreach and promotion of the rent bank program to their local communities - Advocates for clients to access supports they are entitled to receive, such as income supports - Educates clients about their rights and responsibilities under the <i>Tenant Protection Act</i>. 	<ul style="list-style-type: none"> - Reviews applications received from access centres and ensures eligibility criteria have been met and that all documentation is complete - Verifies landlord address and information - Prepares and distributes rent bank cheques to pay arrears for applicants to the landlord once the application is approved - Assists local access centres in landlord mediation if needed and resolving complex or difficult cases - Processes appeals from ineligible applicants - Keeps track of loan repayments and follows up with clients who are behind in their payments - Manages financial controls and book-keeping for program income and expenditures - Prepares regular financial reports for the City, including reports on payments and loans processed - Plans and coordinates services for the delivery network, including staff training and communications - Develops and maintains the Internet website for on-line applications; - Develops and implements promotion and outreach strategy for the rent bank programs in consultation with the City and local access centres - Generates service statistics reports, and monitors and evaluates the program for policy analysis and improvement.

Appendix E

Case Example of the Application Process for a Rent Bank Loan

Client's situation:

The client resides in the downtown area of Toronto. She has both full-time and part-time employment. She has been residing in her unit for two years. She has never been behind with her rent previously. She owed the landlord a total amount of \$2,130.00. This amount consisted of rental arrears, filing fee and sheriff's fee. She approached the rent bank when the sheriff was scheduled to change her locks the next morning.

Rent Bank Process:

The client visited a rent bank Local Access Centre and met with a rent bank worker. The initial rent bank pre-screening and application are usually done on the phone. However, in this situation, because of the urgent situation faced by this client, the rent bank worker brought her into her office right away without an appointment. The rent bank worker conducts a pre-screening questionnaire to determine whether or not the client would be eligible for the rent bank program. Pre-screening questions include: Do you live in the City of Toronto? Are you in arrears with your rent? Do you currently have a source of income? Are you living in market rent accommodation? In this example, the pre-screening demonstrated that the client appeared eligible for the Rent Bank Program, and could apply for a loan of \$1,780.00 (two months of rent).

The rent bank worker then begins the process to complete the application form. The client is asked to provide information on her housing situation, housing history, employment, monthly income and expenditures, reasons for rental arrears, amount of arrears etc. The rent bank worker uses this information to determine if the client's housing situation is sustainable and what other forms of intervention would be needed to stabilize her housing situation.

The client is also advised of the documentation that she will need to complete her application. Documentation required in support of an application includes: two most recent pay stubs, a copy of the lease agreement (if available), Notice of Termination and/or Eviction, three months of bank statements, two pieces of identification and a void cheque (to set up Pre-authorized Payments).

The client is required to sign the following additional documents:

- (a) Client Release of Information: this release is required in order to permit rent bank staff to make inquiries about the documentation submitted and to talk to the client's landlord about their situation.
- (b) Minutes of Settlement: an agreement with the landlord, signed by both the landlord and the client, that the landlord will discontinue the eviction process and permit the tenancy to continue when the client receives a loan from the Rent Bank to clear the arrears.
- (c) Service Agreement: this document sets out the loan amount and repayment provisions.

Discussions with Landlord and Information Verification – Client Release of Information:

Normally, staff contact the landlord to negotiate for a reasonable re-payment plan, so that the tenant may not require a loan, or perhaps a smaller loan. For this case study, however, since the eviction was at such a late stage, by the time the client requested assistance, it was not possible to negotiate with the landlord. Instead, the rent bank worker contacted the landlord immediately to inform the landlord that the client approached the Rent Bank for rent bank assistance, and to ask the landlord to hold off the sheriff's eviction order until the application process was complete. The rent bank worker also verbally confirmed the amount of arrears the tenant owed (including filing costs and sheriff's fee) and collected information regarding the tenant's payment history, including requesting additional documentation to verify information provided by the client. Staff also asked the landlord to confirm in writing (if possible) that the tenancy would be restored if arrears were paid. If the landlord refused to confirm in writing, a loan would only be given if the Central Administrative Co-ordinator was satisfied with the verbal assurance from the landlord that tenancy would be continued. If the landlord refused to accept the loan payment, no loan would be given and the application process would be discontinued at this point.

Minutes of Settlement:

The Minutes of Settlement is required when the tenant's situation is as critical and urgent as the example case study. It documents the agreement with the landlord that should the Rent Bank provide a loan to clear the arrears, the landlord will discontinue the eviction process and permit the tenancy to continue. This document is signed by both the tenant and the landlord.

Service Agreement:

Staff review all the documents to ensure that the information provided is accurate. Information from the landlord is also taken into consideration. Changes are made if necessary. Staff assesses the stability and sustainability of the client's housing situation, and the prospects for repayment by examining the client's monthly income and expenses. If it is determined that a client would be unable to afford their unit, even once the arrears are paid, then instead of providing a loan to this client, then staff will determine what other types of intervention would address his/her needs (e.g. housing searches, credit counseling, etc.).

The policy is that loans shall not exceed two-months rent, to a maximum of \$2,500.00. In this example, the client owed more than two months rent. Therefore, staff worked with the client to ensure that the client could pay the landlord the difference between the total amount owing (\$2,130.00) and the maximum permitted rent bank loan (\$1,780.00). This tenant was able to pay the difference, however, if the clients are unable to do so, then staff contact the landlord to negotiate for a reasonable repayment plan that will not put a financial strain on the tenant.

The Local Service Access Centre staff then pull together all of the documentation and the recommended Service Agreement, and submit it to Central Administration for their review and approval.

Central Administration Approval:

Because of the urgency of this application, rather than the usual practice of dealing with cases as they have been received, this case was given priority. The rent bank administrative co-ordinator immediately reviewed the application and documentation to ensure it was complete and correct, that the information provided had been verified, and that the client was eligible. The administrative co-ordinator also contacted the landlord to inform them that the application has been approved and a payment would be made on behalf of the tenant. The client was informed that a payment equivalent to two months rent would be made to her landlord.

The application then goes to the signing officers for final approval and cheques are signed. Rent Bank cheques are always made payable to the landlord. Clients are given the option of picking up the cheques and delivering them to the landlords by themselves, or having the Rent Bank mail the cheques to the landlords directly.

Stability Supports:

The rent bank workers will refer applicants to other support programs at the time of the application if there is a need. When they apply for a rent bank loan, the applicants are referred to various community/government resources, including food banks, Winter Warmth Fund, housing trusteeship, credit counselling, on-going case management, furniture bank, employment counselling, income supports, Child Tax Benefit, and Employment Insurance. The workers encourage clients to keep in constant touch, and let the workers know as soon as they run into difficulties again.

Monitoring:

The client is contacted at three months, six months and one year past their loan date by the rent bank worker at the local access centre to ensure that their housing situation has remained stable, and to determine whether or not they need further assistance from rent bank staff, or referral to other housing help and eviction prevention supports. During this follow up process, the client is asked whether they are currently residing at the same address at the time of application, if the rent bank has prevented eviction, and whether they are planning to move anytime soon. An assessment is done to determine how the repayment plan is working, to ensure that it is not contributing to new arrears or unnecessary hardship. If the client is having financial difficulty, staff may recommend a reduction in monthly payments, or a change in the repayment schedule. Central administration must approve all changes, and the service agreement must then be revised accordingly.

As Central Administration is also responsible for collecting repayment from all clients, staff have first hand information on the clients' financial situation. Staff at Central Administration phone clients when they notice a steady trend of cheques of Not Sufficient Funds (NSFs). If new issues affecting the clients' housing stability are identified, staff will provide the appropriate form of intervention (e.g., budgeting assistance, information and referral, case management, counseling etc). In many cases, Central Administration staff would case conference with staff at Local Service Access Centres and work jointly to follow-up on these clients, to ensure that their needs are addressed and their housing is stabilized. If repayments are becoming overburdening to clients, staff will also work with clients to revise their service agreements (e.g., reduce monthly

repayment amount, stop repayment collection for one or two months etc). Central Administrative staff will ensure that the clients' housing stability will not be affected, and they are given the flexibility to change the repayment schedule in order that the client can work out their financial problems.

Appendix F

Comparison between Rent Bank Services and Housing Help Services

Following is a brief comparison of the services provided between a rent bank program and a housing help program:

	Rent Bank	Housing Help
Target group	Tenants facing imminent eviction due to rent arrears	People who are from the streets or emergency shelters, or housed but at risk of homelessness
Objectives	Provides short-term loan to help tenants to avoid imminent eviction	Facilitates client access to affordable and suitable housing, and provides housing follow-up supports to help them keep their housing
Service range:	<ul style="list-style-type: none"> - Intake and assessment for loans, including verification of documents and agreement on loan repayment terms - Landlord and client mediation - Budget counselling/advice - Education and information about tenant rights and responsibilities - Referral to shelter fund/community start-up benefits for social assistance clients, and legal clinics and other agencies - Assistance in finding alternative housing for clients who are ineligible for loan through referral to housing help - Processing loan payment to landlord - Follow up on loan repayment - Follow up on client after 3, 6 and 12 months to ensure they remain housed. 	<ul style="list-style-type: none"> - Housing access services: assistance to find suitable housing, landlord recruitment - Some landlord and client mediation - Housing stabilization services: on-going supports after client is housed; connection to social, health, educational and immigrant settlement programs; specialized supports for people with special needs - Eviction prevention services if required: landlord-tenant mediation and education; referral to rent bank and income support programs; referral to legal services, employment programs.

(Communication dated January 23, 2006, addressed to the
Budget Advisory Committee from the Board of Health,
entitled “2006 Community Investment Program Budgets”)

Recommendations:

The Board of Health recommended to the Budget Advisory Committee that:

- (1) the Budget Advisory Committee adopt the staff recommendations in the Recommendation Section of the report (January 6, 2006) from the Medical Officer of Health, as follows:
 - (a) the 2006 Operating Budget request for the Community Partnership and Investment Programs Service Envelope under the purview of the Board of Health in the amount of \$5.862 million gross and net, comprised of a base budget of \$4.725 million gross and net and New/Enhanced service requests of \$1.137 million for the Student Nutrition Program, be approved;
 - (b) the report (January 6, 2006) from the Medical Officer of Health, be considered by the Budget Advisory Committee; and
 - (c) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- (2) the Budget Advisory Committee and City Council be requested to increase the funding for the AIDS and Drug Prevention programs by 2 percent, consistent with the increase given to all City Divisions, Agencies, Boards and Commissions.

Action taken by the Board of Health:

The Board of Health:

- (i) endorsed the staff recommendations in the Recommendations Section of the report (January 6, 2006) from the Medical Officer of Health; and
- (ii) endorsed an additional recommendation, as follows:

“the Budget Advisory Committee and City Council be requested to increase the funding for the AIDS and Drug Prevention programs by 2 percent, consistent with the increase given to all City Divisions, Agencies, Boards and Commissions.”

Background:

The Board of Health on January 19, 2006, considered the attached report (January 6, 2006) from the Medical Officer of Health, seeking approval for the 2006 budget request for investment programs reporting through the Board of Health, including AIDS Prevention, Drug Prevention and Student Nutrition.

Recommendations:

It is recommended that:

- (1) the 2006 Operating Budget request for the Community Partnership and Investment Programs Service Envelope under the purview of the Board of Health in the amount of \$5.862 million gross and net, comprised of a base budget of \$4.725 million gross and net and New/Enhanced service requests of \$1.137 million for the Student Nutrition Program be approved;
- (2) the report be forwarded to the Budget Advisory Committee for consideration; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated January 6, 2006, addressed to the Board of
Health from the Medical Officer of Health)

Purpose:

To seek approval for the 2006 budget request for investment programs reporting through the Board of Health, including AIDS Prevention, Drug Prevention, and Student Nutrition.

Financial Implications and Impact Statement:

The Community Partnership and Investment Program's 2006 Budget Request includes service envelopes under the purview of various standing committees.

The 2006 Operating Budget request service envelope under the purview of the Board of Health is \$5.862 million gross and net, which is 19.0 percent higher than the 2005 Operating Budget of 4.925 million gross and net. The request is comprised of a Base Budget of \$4.725 million gross and net, and New and Enhanced Service Requests of \$1.137 million gross and net.

The 2006 Base Budget request of \$4.725 million gross and net includes a Base Budget reduction of \$0.200 million to reflect the reversal of 2005 one-time funding for AIDS Prevention. The New/Enhanced Service Request of \$1.137 million for the Student Nutrition Program is to: restore funding reduced and reallocated during 2004-2005; to cover a 3 percent increase for current food costs; and to enhance elementary and youth programs. The increase for the Student Nutrition Program was endorsed by the Board of Health on September 26, 2005.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the 2006 Operating Budget request for the Community Partnership and Investment Programs Service Envelope under the purview of the Board of Health in the amount of \$5.862 million gross and net, comprised of a base budget of \$4.725 million gross and net and New/Enhanced service requests of \$1.137 million for the Student Nutrition Program be approved;
- (2) the report be forwarded to the Budget Advisory Committee for consideration; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting on January 15, 2004, the Policy and Finance Committee considered the Mayor's report titled "Sub-Committees, Advisory Committees, Roundtables and other Bodies". Policy and Finance Committee approved the recommendation that the Grants Sub-Committee not be re-established and that corporate policy issues concerning community investment programs be considered directly by the Policy and Finance Committee. As a result, each operational area submits their requests which are consolidated into the corporate, Community Partnership and Investment Program.

Budget deputations regarding the Community Partnership and Investment Program Budget are now heard by the relevant Standing Committees, including: Administration, Board of Health, Community Services, Economic Development and Parks, and Planning and Transportation.

Comments:

The Community Partnership and Investment Program's Budget is composed of nine service envelopes, one of which reports to the Board of Health. The 2006 Community Partnership and Investment Program Budget Request includes the Public Health Service Envelope comprised of the following programs:

<u>Investment Program</u>	<u>(\$million) Gross</u>	<u>(\$million) Net</u>
AIDS Prevention	1.514	1.514
Drug Prevention	0.812	0.812
Student Nutrition	<u>3.536</u>	<u>3.536</u>
Total	5.862	5.862

AIDS Prevention Community Investment Program:

AIDS Prevention investments are a key component of Toronto Public Health's comprehensive strategy for the prevention of HIV/AIDS. They support strategic, targeted community education programs to influence behaviours and situations that put people at risk of acquiring HIV. Integration with other Toronto Public Health programs helps ensure responsiveness to emerging public health trends and timely access to community expertise in local organizations.

The AIDS Prevention Community Investment Program (APCIP) provides project funding. In 2005, a total of 51 projects were recommended for funding. The 2005 Approved budget for AIDS Prevention Grants was \$1.714 million gross and net, including a \$0.200 million one-time funding for allocation to 14 projects to support participation in the XVI International AIDS Conference being held in Toronto in August of 2006.

The 2006 Operating Budget request for the AIDS Prevention Community Investment Program is \$1.514 million gross and net. There are no New and Enhanced Service Requests for APCIP in 2006.

Drug Prevention Community Investment Program:

The Drug Prevention mandate is to build community capacity for local youth initiatives in drug prevention. Drug Prevention investments are part of a comprehensive strategy on substance abuse prevention and are consistent with the requirements of Ontario's Mandatory Health Programs and Services Guidelines. Integration of this program with City delivered programs helps ensure responsiveness to emerging public health trends and timely access to community expertise in local organizations.

The Drug Prevention Community Investment Program (DPCIP) provides project funding. In 2005, a total of 52 projects were funded for a total of \$810,531.00.

The 2006 Operating Budget request for the Drug Prevention Community Investment Program is \$0.812 million gross and net. There are no New and Enhanced Service Requests for DPCIP in 2006.

Student Nutrition Program:

The Student Nutrition Program supports 375 community-based breakfast, snack and lunch programs serving 74,450 children and youth in schools and community sites. The increase in food costs (16.7 percent since 1999) and the growth of Student Nutrition Programs each year since 1998 has resulted in a continual decline of the proportion of costs subsidized by the City. The City's current investment of \$2,399,340.00 is vital to ensure sustainability and nutrition quality assurance, but an overwhelming demand for programs serving youth has left 46 of these programs without municipal funding. Currently, the City provides 15.2 percent of the total approved costs of student nutrition programs, and the balance is funded by a combination of provincial funding, parental and youth contributions, private donations and community fundraising.

Adequate core funding reflective of current actual costs is essential for sustainable nutrition programs for all children and youth in Toronto. Our children face unprecedented health risks through inadequate nutrition and the growing rates of obesity, which are most prevalent in low-income families. Thirty-eight percent of the population relying on emergency food relief programs in Toronto in 2005 are children. Literature shows that participants in student nutrition programs have lower rates of overweight and obesity, higher consumption of vegetables and fruit, less calorie intake from fat, and higher dietary quality index scores. Student nutrition programs provide needed nutrients to food insecure children, while modeling healthier food choices to help reduce the future risk of diet-related chronic diseases.

The 2005 Operating Budget for the Student Nutrition Program included \$200,000.00 allocated to programs serving youth. This \$200,000.00 was reallocated from funding previously designated for elementary programs so that the benefit to youth came at the expense of programs serving younger children. In addition, student nutrition program funding was reduced by \$100,000.00 in 2004. Restoring this funding to programs for children with current food costs (\$74,980.00) will result in a net increase of \$374,980.00.

Expansion of the student nutrition program is warranted in 22 of the City's neediest schools, as defined by the Toronto District School Board's Learning Opportunities Index and the Toronto Catholic District School Board's family income data by school. This expansion to provide student nutrition programs serving 12,000 children in 22 of the neediest elementary and middle schools would cost a net increase of \$465,120.00 in 2006/07.

There are 119 programs serving 6,254 meals and snacks to at-risk youth that meet the eligibility criteria for funding, yet only 73 programs serving 4,007 youth will receive a service subsidy in 2005/2006. Programs for at-risk youths (living independently on social assistance, who are pregnant or have children, living in low-income households or who are looking for a safe haven at the end of the school day) do not attract the same parental contributions or community support. The City's investment in providing 25 percent of the total cost to reach one in 20 (i.e., 6,031) at-risk youth in 2006/07 would be a net increase of \$296,954.00.

The service changes outlined above to better meet the student nutrition needs of Toronto's children and youth would require that a total of \$1.137 million gross and net be added to the current Base Budget of \$2.399 million gross and net.

The 2006 Budget Request for the Student Nutrition Program is \$3.536 million gross and net, including a request for New/Enhanced funding of \$1.137 million.

Conclusion:

One service envelope within the Community Partnership and Investment Program reports to the Board of Health. This service envelope includes three investment programs, AIDS Prevention, Drug Prevention and Student Nutrition. No service elements are recommended in 2006 for AIDS Prevention and Drug Prevention. A significant enhancement in Student Nutrition Investment Program funding is recommended, as previously endorsed by the Board of Health.

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(Communication dated January 23, 2006, addressed to the
Budget Advisory Committee from the Administration Committee,
entitled “2006 Operating Budget – Administration Committee”)

Recommendations:

The Administration Committee recommended to the Budget Advisory Committee that City Council:

(A) Office of the Deputy City Manager and Chief Financial Officer:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the Office of the Deputy City Manager and Chief Financial Officer:

It is recommended that the Office of the Deputy City Manager and Chief Financial Officer’s 2006 Proposed Operating Budget of \$16.908 million gross and \$13.461 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000’s)</u>	<u>Net</u> <u>(\$000’s)</u>
Support Services	1,340.2	1,173.9
Corporate Finance	3,542.0	1,454.4
Financial Planning	4,607.9	3,765.4
Special Projects	447.4	447.4
Service Improvement and Innovation	<u>6,970.8</u>	<u>6,620.2</u>
Total Program Budget	<u><u>16,908.3</u></u>	<u><u>13,461.3</u></u>

(B) Office of the Treasurer:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the Office of the Treasurer:

It is recommended that the Office of the Treasurer's 2006 Proposed Operating Budget of \$63.212 million gross and \$30.932 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000's)</u>	<u>Net (\$000's)</u>
Pension, Payroll and Employee Benefits	11,251.8	9,645.1
Purchasing and Materials Management	8,342.5	6,630.2
Accounting Services	11,173.5	8,846.7
Revenue Services	<u>32,444.2</u>	<u>5,810.0</u>
Total Program Budget	<u><u>63,212.0</u></u>	<u><u>30,932.0</u></u>

(C) Corporate Communications:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for Corporate Communications, subject to offsetting funding for the Clean and Beautiful Initiative in the amount of \$125,000 being identified through savings from within other communications plans corporately.

It is recommended that Corporate Communications' 2006 Proposed Operating Budget of \$7.199 million gross and \$7.078 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000's)</u>	<u>Net (\$000's)</u>
Public Information	2,468.6	2,462.5
Creative Services	2,097.5	2,037.5
Corporate Communications and Media Services	<u>2,632.5</u>	<u>2,577.5</u>
Total Program Budget	<u><u>7,198.6</u></u>	<u><u>7077.5</u></u>

(D) Fleet Services:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for Fleet Services:

It is recommended that Fleet Services' 2006 Proposed Operating Budget of \$34.720 million gross and zero net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Fleet Operations	22,428.8	0.0
Fuel Operation	8,183.7	0.0
Fleet Safety	1,086.9	0.0
Asset Management	3,020.8	0.0
Total Program Budget	<u>34,720.2</u>	<u>0.0</u>

(E) Facilities and Real Estate:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for Facilities and Real Estate:

It is recommended that the Facilities and Real Estate 2006 Proposed Operating Budget of \$ 116.580 million gross and \$52.109 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Facilities	103,332.5	63,857.1
Real Estate	13,247.7	(11,748.1)
Total Program Budget	<u>116,580.2</u>	<u>52,109.0</u>

(F) 3-1-1 Customer Service Strategy:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for 3-1-1- Customer Service Strategy:

It is recommended that the 3-1-1 Customer Service Strategy 2006 Proposed Operating Budget of \$0.617 million gross and \$0.391 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Project Management Office	<u>616.8</u>	<u>390.6</u>
Total Program Budget	<u>616.8</u>	<u>390.6</u>

(G) Court Services:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Court Services:

It is recommended that:

- (1) the Court Services' 2006 Proposed Operating Budget of \$32.555 million gross and \$(9.404) million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Finance and Administration	18,204.9	16,739.9
Court Administration	7,465.0	(33,029.3)
Court Support	4,079.9	4,079.9
Planning and Liaison	2,805.4	2,805.4
	<hr/>	<hr/>
Total Program Budget	<u>32,555.2</u>	<u>(9,404.1)</u>

- (2) the Director of Court Services report back to the Budget Advisory Committee on the success of the Off Duty Police Initiative during to the 2007 operating budget process.

(H) City Manager's Office:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the City Manager's Office:

It is recommended that the 2006 Proposed Operating Budget for the City Manager's Office of \$6.542 million gross and \$6.011 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Executive Management	1,642.3	1,642.3
Strategic and Corp. Policy/Healthy City Office	3,932.3	3,932.3
Internal Audit	967.5	436.0
	<hr/>	<hr/>
Total Program Budget	<u>6,542.1</u>	<u>6,010.6</u>

(I) Community Partnership and Investment Program:

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

It is recommended that the 2006 Proposed Operating Budget of \$0.774 million gross and net, for the Community Partnership and Investment Program, Access and Equity Service Envelope, comprised of the following service, be approved:

Grant Program	Gross (\$000s)	Net (\$000s)
<u>Access and Equity</u>		
Access, Equity and Human Rights	<u>773.8</u>	<u>773.8</u>

(J) City Clerk's Office:

- (i) adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for the City Clerk's Office:

That:

- (1) the City Clerk's Office 2006 Proposed Operating Budget of \$47.042 million gross and \$28.991 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Secretariat	7,652.0	7,120.9
Records and Information Management	21,875.2	9,194.1
Council and Support Services	2,465.3	1,930.3
Corporate Access and Privacy	1,604.4	1,554.4
Elections and Registry Services	11,904.3	7,650.6
Protocol	<u>1,541.0</u>	<u>1,541.0</u>
Total Program Budget	<u>47,042.2</u>	<u>28,991.3</u>

- (2) the City Clerk to report back to the Administration Committee before the start of the 2007 process on the operational impact on the City Clerk's Office arising from the new City of Toronto Act, the new governance structure for the City, and governance issues reported by the Bellamy Commission, and any financial implications and impact from these changes;

- (ii) adopt the following staff recommendations in the Recommendations Section of the report (December 14, 2005) from the City Clerk:
 - “(2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk’s Office 2006 Operating Budget;
 - (3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;
 - (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:
 - (a) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;
 - (b) confirming the availability of resources to provide meeting support services;
 - (c) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;
 - (5) following adoption of policy contained in recommendation (4), the City Clerk’s Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement;
 - (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”;
- (iii) request the Provincial Government to:
 - (1) compensate the loss of revenue in gaming and bingo to the City of Toronto, including individual charities;
 - (2) under the new City of Toronto Act, give authority to conduct a City of Toronto lottery to offset loss of revenue; and
- (iv) request the City Clerk to include in the ongoing review of Council Procedures a requirement that all Notices of Motions, submitted to City Council only be considered if they meet the regular agenda deadline (5 business days before the meeting).

(K) City Council:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for City Council:

It is recommended that the 2006 Proposed Operating Budget for City Council of \$18.885 million gross and net, comprised of the following services, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Councillors' Salaries and Benefits	4,697.6	4,697.6
Councillors' Staff Salaries and Benefits	10,126.6	10,126.6
Councillors' Office Budget	2,256.4	2,256.4
Councillors' General Expenses	1,604.2	1,604.2
Integrity Commissioner's Office	200.0	200.0
	<hr/>	<hr/>
Total Program Budget	18,884.8	18,884.8
	<hr/>	<hr/>

(L) Mayor's Office:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for the Mayor's Office:

It is recommended that the 2006 Proposed Operating Budget for the Mayor's Office of \$1.893 million gross and net, comprised of the following service, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Mayor's Office	1,892.9	1,892.9
	<hr/>	<hr/>
Total Program Budget	1,892.9	1,892.9
	<hr/>	<hr/>

Action taken by the Committee:

The Administration Committee:

(A) Fleet Services:

requested the Executive Director of Fleet Services, together with the Chiefs of Police, Fire, and EMS to report back to the Budget Advisory Committee during the 2006 Operating Budget process on the viability of all divisions and ABCs participating in the Sole Source Supplier Contracts for Parts that Fleet Services is initiating, and any resultant savings.

(B) 3-1-1 Customer Service Strategy

requested the Deputy City Manager and Chief Financial Officer to report to Budget Advisory Committee during consideration of the 2006 Operating Budget on options to fund the remaining shortfall of \$0.138 million presently anticipated to be recovered from funded vacancies available elsewhere in the Corporation and/or chargebacks to the Programs participating in the 3-1-1 Customer Service Strategy.

(C) Human Resources:

(i) referred the following Operating Budget recommendations contained in the Analyst Briefing Notes for Human Resources to the Budget Advisory Committee:

(1) that the Human Resources 2006 Proposed Operating Budget of \$29.683 million gross and \$27.848 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Employment Services	9,266.4	8,901.2
Organizational Behaviour	1,957.4	1,957.2
Employee and Labour Relations	4,081.5	3,853.6
Departmental Services	14,116.4	12,889.5
Fair Wage and Labour Trade Office	<u>261.4</u>	<u>246.8</u>
Total Program Budget	<u>29,683.1</u>	<u>27,848.3</u>

(2) the Director of Human Resources report back to the Budget Advisory Committee on Human Resources restructuring implementation prior to the 2007 budget process; and

(ii) requested the Executive Director of Human Resources to report to the Budget Advisory Committee meeting on January 27, 2006, with options to meet the two percent target, such options to include alternative options to fund external legal costs currently paid by Human Resources, in the amount of approximately \$400,000.

(D) Legal Services

(i) referred the following Operating Budget recommendation contained in the Analyst Briefing Notes for Legal Services to the Budget Advisory Committee:

It is recommended that Legal Services' 2006 Proposed Operating Budget of \$28.563 million gross and \$18.537 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Municipal Law	5,213.8	2,889.3
Litigation	4,814.5	3,252.3
Administration	1,521.7	1,284.7
Planning	4,354.6	3,382.5
Real Estate	4,404.4	3,816.1
Employment Law	2,220.5	2,170.5
Prosecutions	6,033.6	1,741.6
Total Program Budget	<u>28,563.1</u>	<u>18,537.0</u>

- (ii) requested the City Solicitor to report to the Budget Advisory Committee meeting on January 27, 2006, with options to meet the 2 percent target, including specific options to limit the funding required for Outside Planners.

(E) City Council

requested the City Clerk to review and report back to the Administration Committee, through the Employee and Labour Relations Committee, on mechanisms whereby the City's overtime costs do not apply to staff of Councillors Offices.

(F) Information and Technology:

- (i) referred the following Operating Budget recommendation contained in the Analyst Briefing Notes for Information and Technology to the Budget Advisory Committee:

It is recommended that Information and Technology's 2006 Proposed Operating Budget of \$51.807 million gross and \$43.221 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Applications Delivery	15,429.2	13,571.3
Desktop Computing	32,066.3	25,976.0
Land Information	3,175.2	2,960.4
Voice and Telecommunications	1,136.3	713.4
Total Program Budget	<u>51,807.0</u>	<u>43,221.1</u>

- (ii) requested the Director of Information and Technology to report to the Budget Advisory Committee on January 27, 2006, with options to meet the 2 percent target, such options to include alternate ways to fund the SAP competency centre costs for 2006.

(G) General:

requested the Deputy City Manager and Chief Financial Officer to report to the Budget Advisory Committee:

- (i) on ways of reducing overtime costs City-wide by 5 percent; and
- (ii) calculating the overtime and lieu time for all employees in Locals 416 and 79 for 2005.

Background:

The Administration Committee on January 5 and 20, 2006, considered the following:

- (i) Analyst Briefing Notes with respect to the following 2006 Operating Budgets under the purview of the Administration Committee:

Internal Services:

- Office of the Deputy City Manager and Chief Financial Officer
- Office of the Treasurer
- Corporate Communications
- Information Technology
- Fleet Services
- Facilities and Real Estate

Citizen Centred Services 'A'

- 3-1-1 Customer Service Strategy
- Court Services

Other City Programs

- City Manager's Office
- Human Resources
- Community Partnership and Investment Program
- Legal Services
- City Clerk's Office
- City Council
- Mayor's Office;

- (ii) report (December 14, 2005) from the City Clerk identifying the resources required to provide secretariat support services to four new committees and advisory bodies formed by Toronto City Council in the past five months. The report also recommends a policy to ensure that resource impacts are clearly identified when new committees and advisory bodies are formed in the future.

Recommendations:

It is recommended that:

- (1) this report be forwarded to the Budget Advisory Committee for consideration during the 2006 Operating Budget process;
 - (2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk's Office 2006 Operating Budget;
 - (3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;
 - (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:
 - (a) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;
 - (b) confirming the availability of resources to provide meeting support services;
 - (c) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;
 - (5) following adoption of policy contained in recommendation (4), the City Clerk's Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement;
 - (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto;
- (iii) communication (January 5, 2006) from Russ Armstrong, Acting President, CUPE Local 79;
 - (iv) communication (January 5, 2006) from Mike O'Gorman;
 - (v) communication (January 20, 2006) from Ann Dembinski, President, CUPE Local 79; and
 - (vi) 2006 Operating Budget Briefing Notes/Additional Information.

Divisional representatives gave a PowerPoint presentation on the 2006 Operating Budget under the purview of the Administration Committee.

The following persons addressed the Committee:

- Mike O’Gorman; and
- Lily Cheng, Treasurer, CUPE Local 79.

(Communication dated January 12, 2006, addressed to the
Budget Advisory Committee from the Community Services Committee,
entitled “2006 Operating Budgets – Community Services Committee”)

Recommendations:

The Community Services Committee on January 12, 2006, recommended to the Budget Advisory Committee that City Council:

(A) Affordable Housing:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the Affordable Housing Office:

It is recommended that the Affordable Housing Office 2006 Proposed Operating Budget of \$3.021 million gross and \$1.421 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Affordable Housing Office	3,021.0	1,421.0
Total Program Budget	<u>3,021.0</u>	<u>1,421.0</u>

(B) Children’s Services:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Children’s Services:

- (1) the Children’s Services’ 2006 Proposed Operating Budget of \$415.589 million gross and \$68.667 million net, comprised of the following services, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Program Administration	24,099.3	9,360.9
Municipal Child Care	61,978.6	18,166.9
Purchased Child Care	329,511.0	41,139.2
Total Program Budget	<u>415,588.9</u>	<u>68,667.0</u>

- (2) the General Manager of Children's Services report back to the Budget Advisory Committee and Policy and Finance Committee on any unused funds from the 2005 provincial allocation for Best Start that may be required to be carried forward into 2006 through the 2005 Year-End Variance Report;
- (3) the General Manager report back to the Budget Advisory Committee, through the Community Service Committee, on the financial details of the proposed After School Recreation and Care Program, in early 2006; and
- (4) the General Manager of Children's Services report back to Budget Advisory Committee on the capital budget allocations for child care centres in City-owned and non-City-owned facilities, once identified, under the Best Start Initiative with recommended adjustments to Children's Services' Operating and Capital Budgets to accommodate the City's revised Best Start Capital Plan.

(C) Homes for the Aged:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the Homes for the Aged:

It is recommended that the Homes for Aged 2006 Proposed Operating Budget of \$186.741 million gross and \$33.388 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Division Office	1,584.2	505.8
Toronto Homes	174,830.1	31,325.9
Community Based Services	10,327.0	1,556.3
	<hr/>	<hr/>
Total Program Budget	<u>186,741.3</u>	<u>33,388.0</u>

(D) Shelter, Support and Housing Administration:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for Shelter, Support and Housing Administration:

It is recommended that the Shelter, Support and Housing Administration 2006 Proposed Operating Budget of \$666.370 million gross and \$275.331 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	2,119.4	2,119.4
Housing Administration	506,978.9	218,354.9
Hostel Services	119,544.0	52,631.9
Housing and Homelessness Supports	28,010.4	1,881.5
Housing Programs	9,373.7	0
Partnership Development and Support	343.2	343.2
Total Program Budget	<u>\$666,369.6</u>	<u>\$275,330.9</u>

(E) Social Development, Finance and Administration:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Social Development, Finance and Administration:

- (1) the Social Development, Finance and Administration's 2006 Proposed Operating Budget of \$33.046 million gross and \$21.662 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Administration and Program Support	18,543.3	9,240.0
Community Resources	3,493.8	1,613.0
Administration and Support Services	11,009.3	10,809.3
Total Program Budget	<u>33,046.4</u>	<u>21,662.3</u>

- (2) the Youth Employment and Local Leadership (YELL) Program, with an addition of 1.0 staffing position, be approved subject to Federal subsidy for \$1.958 million gross and \$0 net.

(F) Social Services:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Social Services:

- (1) the Social Services 2006 Proposed Operating Budget of \$1.036 billion gross and \$277.526 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Program Support	11,123	5,869
Social Assistance	<u>1,025,449</u>	<u>271,657</u>
Total Program Budget	<u>1,036,572</u>	<u>277,526</u>

- (2) the General Manager of Social Services report to Budget Advisory Committee during the 2006 Operating Budget wrap-up meetings on actual year-to-date Ontario Works monthly caseload with possible revisions to the 2006 proposed average monthly caseload estimate of 75,000.

(G) Emergency Medical Services:

- (i) adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for the Emergency Medical Services:

- (1) the Emergency Medical Services' 2006 Proposed Operating Budget of \$142.593 million gross and \$70.927 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
CACC	12,295.6	854.1
Centralized Support Services	2,476.8	2,476.8
Corporate Charges	5,900.0	5,900.0
EMS Operations Support Services	19,560.3	10,172.1
EMS Operations	95,089.6	48,642.7
Program Development and Service Quality	<u>7,271.1</u>	<u>2,881.7</u>
Total Program Budget	<u>142,593.4</u>	<u>70,927.4</u>

- (2) the General Manager of Emergency Medical Services continue discussions with the Province to restore full funding for cost of administration to eliminate the subsidy shortfall and the service/ financial impact of the hospital offload delays and report back to the Budget Advisory Committee on the status of these discussions prior to the end of the 2006 Budget process; and

- (3) the General Manager of Emergency Medical Services review the current fee structure, for emergency medical response reports requested by internal and external organizations, and other opportunities for revenue generation, and report back to the Budget Advisory Committee during the 2006 Budget Process; and
- (ii) request the City Manager and the Mayor to write to:
 - (1) the Premier of Ontario identifying and explaining the reasons which created the \$12.3 million shortfall in provincial funding for Emergency Medical Services in the 2006 budget and requesting again that this shortfall be eliminated and that full 50 percent funding of Emergency Medical Services be restored;
 - (2) the two provincial opposition parties explaining the issue and requesting their commitment to restore this funding and provide the full 50 percent provincial funding;

and submit a report to the Community Services Committee within three months on the response.

(H) Fire Services:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for the Toronto Fire Services:

- (1) the Toronto Fire Services 2006 Proposed Operating Budget of \$314.565 million gross and \$306.638 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Fire-Operations	251,151.0	244,589.1
Fire Prevention and Public Safety	12,321.4	12,021.4
Communications and Operational Support	26,265.7	25,774.6
Professional Develop. and Mechanical Support	21,483.7	20,909.2
Fire - Headquarters	3,343.5	3,343.5
Total Program Budget	<u>314,565.3</u>	<u>306,637.8</u>

- (2) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee during the 2006 Operating Budget process with additional reduction options that include the impact of reducing fire crews in service, service locations and number of trucks removed out of service to reduce the budget to a target of 2 percent over the 2005 Approved Operating Budget inclusive of Cost of Living Adjustment (COLA) estimates;

- (3) increases in false alarm fees be approved consistent with the schedule of charging for false alarms at the second emergency call instead of at the third emergency call in a two month or yearly period, which ever comes first, and that staff be authorized to amend the bylaw as required;
- (4) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee prior to the 2007 Budget process on the progress of discussions with the Provincial government on the recovery of Toronto Fire Services' costs in providing highway assistance in emergency situations,

subject to:

- (i) deleting Recommendations (2) and (3) and renumbering the remaining Recommendations accordingly; and
- (ii) deleting the false alarm fee net revenue increase of \$2.010 million as this revenue source does not exist.

(I) Association of Community Centres:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the Association of Community Centres:

It is recommended that the Association of Community Centres 2006 Proposed Operating Budget of \$5.994 million gross and \$5.834 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
519 Church St.	1,022.0	1,022.0
Applegrove	315.7	315.7
Cecil	564.6	564.6
Central Eglinton	471.5	471.5
Community Centre 55	564.4	564.4
Eastview Neighbourhood	425.9	425.9
Harbourfront	973.2	973.2
Ralph Thornton	576.2	536.8
Scadding Court	705.0	705.0
Swansea Town Hall	375.1	255.1
AOCC – General		
Total Program Budget	<u>5,993.6</u>	<u>5,834.2</u>

(J) Community Partnership Investment Program:

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

- (1) the 2006 Proposed Operating Budget of \$12.317 million gross and net, for the Community Partnership and Investment Program, Community Services Envelope, comprised of the following services, be approved:

Community Services Program	Gross (\$000s)	Net (\$000s)
<u>Services</u>		
Community Services	10,197.4	10,197.4
Community Information Toronto	524.0	524.0
Community Safety Investment	669.8	669.8
Food Security	300.0	300.0
Service Development	250.0	250.0
Snow Shovelling / Lawn Cutting	376.1	376.1
Total Community Services Program	<u>12.317.3</u>	<u>12.317.3</u>

- (2) the 2006 Proposed Operating Budget of \$7.407 million gross and \$2.484 million net, for the Community Partnership and Investment Program, Housing Envelope, comprised of the following services, be approved:

Housing	Gross (\$000s)	Net (\$000s)
<u>Services</u>		
Homeless Initiatives Fund	7,406.9	2,483.9
Total	<u>7,406.9</u>	<u>2,483.9</u>

- (3) the Deputy City Manager review and report to Budget Advisory Committee before the 2007 Budget Process, on the financial impact of the Provincial consolidation of the homelessness program funding, to determine whether funding should remain within the CPIP program for future years,

subject to finding appropriate corporate offsets to increase the budget for the Community Partnership Investment Program, Community Services Envelope, by:

- (i) adding \$150,000.00 for a funding stream to support youth led community initiatives within the Community Safety Investment Program;

- (ii) funding a \$290,000.00 (2 percent) cost-of-living increase for the grants budget; and
- (iii) adding \$250,000.00 to support service development in vulnerable neighbourhoods.

(K) General:

request the Province of Ontario to:

- (a) immediately recognize the actual cost of emergency and community services, including:
 - \$23.2 million for Ontario Works Cost of Administration;
 - \$12.3 million for Emergency Medical Services; and
 - \$29.1 million for shelter per diems;
- (b) immediately assume the full \$168 million cost of the provincial Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) program in Toronto; and
- (c) commit to working with the City of Toronto toward the uploading of costs for social housing and Ontario Works.

Action taken by the Committee:

The Community Services Committee requested:

Emergency Medical Services:

- (a) the Chief and General Manager, Emergency Medical Services, to submit a briefing note to the Budget Advisory Committee on reductions to the EMS Operating Budget of one percentage point;
- (b) the City Manager to report to the Community Services Committee within three months on the Provincial Government's efforts to reduce the hospital offload delay;

Toronto Fire Services:

- (c) the Fire Chief and General Manager to report to the Community Services Committee on the potential for selling our services abroad and for the training in Toronto of provincial, national and international firefighters;
- (d) the Fire Chief and General Manager be requested to submit a report to the Community Services Committee:
 - (i) on the inventory in each of the fire halls for fitness equipment; and

- (ii) providing a dollar figure for what it would cost to standardize the equipment in each fire hall;

Social Development, Finance and Administration:

- (e) the Executive Director of Social Development, Finance and Administration to:
 - (i) include a new award specifically for Senior volunteers with the 2006 Community Service Volunteer Awards; and
 - (ii) look at ways to provide support for increased leadership and advocacy training opportunities for members of the Toronto Seniors' Forum; and
- (f) the Toronto Seniors' Forum to consult with the Homes for the Aged division with respect to the existing culturally sensitive programs and the possible opportunities to increase culturally sensitive services;
- (g) submit a report to the Budget Advisory Committee on investing \$25,000.00 to research and develop a youth gang intervention, exit and re-integration program;

Social Services:

- (h) in respect to the OMBI Benchmarks in the Budget Presentations, that the General Manager of Social Services submit a report to the Community Services Committee on Municipality "E's" lower administration costs per case, in consideration of any improvements to our administrative costs per case; and

General:

- (i) the City Clerk to review the Toronto Youth Cabinet's request to implement a "Get Out to Vote" campaign and report to the Budget Advisory Committee on possible budget implications and on the possibility of integrating the campaign in the overall election strategy.

Background:

The Community Services Committee on January 12, 2006, considered the following:

- (i) Analyst Briefing Notes with respect to the following 2006 Operating Budgets under the purview of the Community Services Committee:
 - Affordable Housing Office;
 - Children's Services;
 - Homes for the Aged;
 - Shelter, Support and Housing Administration;
 - Social Development, Finance and Administration;
 - Social Services;
 - Emergency Medical Services;

- Fire Services;
- Association of Community Centres; and
- Community Partnership and Investment Program;

The following persons provided the Community Services Committee with presentations on the 2006 Operating Budgets under its purview:

- Josie LaVita, Director, Financial Planning;
- Sue Corke, Deputy City Manager;
- Bruce Farr, Chief and General Manager;
- William A. Stewart, Fire Chief and General Manager;
- Brenda Patterson, General Manager, Children's Services;
- Sandra Pitters, General Manager, Homes for the Aged;
- Phil Brown, General Manager, Shelter, Support and Housing Administration;
- Nancy Matthews, Executive Director, Social Development, Finance and Administration, and also gave a presentation on the Affordable Housing Office;
- Heather MacVicar, General Manager, Social Services;

The following persons addressed the Community Services Committee:

- Neil Mudde, Neville Gordon, M.J. Rosenthal, Sham Sabherwal, JoJo Taduran and Severino Centritto, Toronto Seniors' Forum, and filed a written submission;
- Meeri Apunen, Finnish Social Counselling Service of Toronto Inc., and filed a written submission;
- Sonny Yeung;
- Kelly O'Sullivan, CUPE Local 4308;
- Julie Goldstein, Toronto Neighbourhood Centers, and filed a written submission;
- Tam Goossen, President, Community Social Planning Council of Toronto, and filed a written submission;
- Vladimir Paslavskyi, League of Ukrainian Canadians, and filed a written submission;
- Jane Mercer, Coalition for Better Child Care;

- Gabriela Rodriguez, Adam Chaleff-Freudenthaler, William Mendes and Keegan Henri-Mathieu, Toronto Youth Cabinet, and filed a written submission;
- Lily Chang, Treasurer, CUPE Local 79, and filed a written submission;
- David Walsh;
- Joel Donen, Rotary Community Service Liaison to the City of Toronto; and
- Kofi Hope, President, and a representative of the Coalition Against Violence.

Councillor Janet Davis, Beaches-East York, also addressed the Community Services Committee.

(Communication dated January 17, 2006, addressed to the
Budget Advisory Committee from the Economic Development and
Parks Committee, entitled “2006 Operating Budgets
– 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
	<hr/>	<hr/>
Total Program Budget	15,859.7	10,653.5

- (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	<u>10,310.5</u>	<u>8,291.6</u>

- (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 and Research	1,204.1	804.1
Toronto International	643.7	643.7
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
Total Program Budget	284,014.3	212,107.0

- (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 gymnasias; 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 gymnasias 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
Total Arts and Culture Grants	15,562.4	15,562.4

- (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
Total Recreation Grants	1,280.4	1,280.4

- (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	541.3	541.3

- (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 RWAF to cover the increase in rental expenses at Exhibition Place.”;

Action taken by the Committee:

The Economic Development and Parks Committee requested:

Parks, Forestry and Recreation:

- (a) the General Manager of Parks, Forestry and Recreation to report to the Budget Advisory Committee wrap-up meeting on January 24, 2005, on the resources required to open one school in each of the 13 priority neighbourhoods until 10:00 p.m. on weeknights, 11:00 p.m. on weekends and at least 10:00 p.m. throughout July and August, at no cost to the community, as well as financing options for achieving this level of service;
- (b) the General Manager of Parks, Forestry and Recreation, in consultation with CUPE Locals 79 and 416, to report to the Budget Advisory Committee wrap-up meeting on January 24, 2006, on resources required for a “Training in the Trades” apprenticeship program with City workers in the Parks, Forestry and Recreation Division for 100 youth in 2006, with consideration of a living wage for those youth in the program, and ensuring that no existing jobs are replaced by apprentice labour;
- (c) the General Manager of Parks, Forestry and Recreation to report to the Economic Development and Parks Committee on the implementation of the Seniors Recreation Strategy within the 2006 Operating Budget, and identifying areas for improvement or additional focus before the 2007 budget discussions;
- (d) the General Manager of Parks, Forestry and Recreation to report to the Budget Advisory Committee wrap-up meeting on January 24, 2006, on how much funding would be needed to fund free recreation at additional centres on the 1998 priority list;
- (e) the General Manager of Parks, Forestry and Recreation to report to the Economic Development and Parks Committee meeting on March 9, 2006, on the following motion by Councillor Augimeri (on behalf of Councillor Moscoe):

“Whereas Yorkdale Shopping Centre has expanded their existing commercial gross floor area, subject to a two percent cash-in-lieu of parkland dedication requirement; and

Whereas Yorkdale has paid the two percent cash payment calculated to be \$72,000 and is currently being held by Parks, Forestry and Recreation; and

Whereas an alternative to paying this amount; Yorkdale Shopping Centre has agreed to provide 2,000 square feet of finished space in the basement of the Shopping Centre as community space; and

Whereas, Yorkdale Shopping Centre has also agreed to assume all responsibilities for the associated costs related to the utilities and cleaning; and

Whereas Eglinton-Lawrence area is deficient in community space; and

Whereas Parks, Forestry and Recreation staff will operate this facility as a community centre; and

Whereas the full implementation plan which allowed the centre to be open from 9:00 a.m. to 9:00 p.m. seven days a week, had a budget of \$348,000.00 plus start up costs of approximately \$29,800.00; and

Whereas there is no current operating budget provision in Parks, Forestry and Recreation or Culture Division to maintain the operation of the community centre; and

Whereas Parks, Forestry and Recreation staff has developed a secondary plan in consultation with the Culture Division to operate arts and recreational programs and services, at a cost of \$150,000 per year; and

Whereas Parks, Forestry and Recreation staff will take the lead role in developing other community partners that are interested in operating programs in the new facility and seek funding and grants for specific programs;

Therefore Be It Resolved that operating costs in the amount of \$150,000.00 net be added to the Parks, Forestry and Recreation base operating budget to provide these programs and services; and

Be It Further Resolved that the General Manager of Parks, Forestry and Recreation do all things necessary to give effect to the intent of this resolution.”

General:

- (f) The Chief and General Manager of Emergency Medical Services to submit a Briefing Note to the Budget Advisory Committee on how and where the defibrillating machines will be rolled out.

Background:

The Economic Development and Parks Committee on January 16, 2006, considered the following:

(i) Analyst Briefing Notes with respect to the following 2006 Operating Budgets under the purview of the Economic Development and Parks Committee:

- Culture;
- Economic Development;
- Parks, Forestry and Recreation;
- Tourism;
- Yonge Dundas Square;
- Community Partnership and Investment Programs; and
- Heritage Toronto.

The following persons provided the Economic Development and Parks Committee with presentations on the 2006 Operating Budgets under its purview:

- Josie La Vita, Director, Financial Planning;
- Sue Corke, Deputy City Manager;
- Rita Davies, Executive Director, Culture;
- Taylor Raths, General Manager, Yonge Dundas Square;
- Karen Thorne-Stone, Executive Director, Economic Development;
- Duncan Ross, Executive Director, Tourism;
- Brenda Librecz, General Manager of Parks, Forestry and Recreation;
- U. Ernest Buchner, Executive Director, Heritage Toronto;
- Karen Thorne-Stone, Rita Davies and Intiaz Ruffudeen, Community Partnership and Investment Program.

The following persons addressed the Economic Development and Parks Committee:

- Fatima Amarshi, Executive Director, Pride Toronto;
- Sonia Rodriguez, The National Ballet of Canada;
- Peter Oundjian, Toronto Symphony Orchestra, and filed a copy of his submission;
- Kevin Garland, National Ballet of Canada.
- Claire Hopkinson, Toronto Arts Council;
- Don Moffat, Toronto Arts Council;
- Adonis Huggins, Regent Park Focus;
- Lily Chang, CUPE Local 79, and filed a copy of her submission;
- Neville Gordon, Toronto Seniors Forum, and filed a copy of his submission;
- Jutta Mason;
- Karl Sprogis, Chair, Arts Etobicoke and Vice Chair, Toronto School Administrators Association;

- Lilita Tannis, Acting Executive Director, UrbanArts Community Arts Council, and filed a copy of an UrbanArts publication - Winter 2006;
- Michael Murray, Executive Director, Urban Arts Community Arts Council;
- Inga Untiks, Scarborough Arts Council;
- Robin Sokoloski, Lakeshore Arts;
- Rob McLaughlin, The Royal Agricultural Winter Fair, and filed a copy of his submission;
- Akua Ntiamoah, Toronto Youth Cabinet;
- Adam Chaleff-Freudenthaler, Toronto Youth Cabinet;
- William Mendes, Toronto Youth Cabinet, and filed a copy of his submission;
- Tim Jones, CEO, Artscape;
- Gerry Smith, Toronto Community Arts Alliance, and filed a copy of his submission; and
- George Pappas, Vradenberg Ratepayers Association.

The following Members of Council also addressed the Economic Development and Parks Committee:

- Councillor Gay Cowbourne, Ward 44 Scarborough East;
- Councillor Pam McConnell; Ward 28 Toronto Centre-Rosedale; and
- Councillor Howard Moscoe, Ward 15 Eglinton-Lawrence.

(Communication dated January 23, 2006, addressed to the
Budget Advisory Committee from the Planning and Transportation Committee,
entitled “2006 Operating Budget- Planning and Transportation Committee”)

Recommendations:

The Planning and Transportation Committee on January 9 and 20, 2006:

(1) recommended to the Budget Advisory Committee that City Council:

(A) Building Services:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Building Services:

(1) the Building Services’ 2006 Proposed Operating Budget of \$39.447 million gross and (\$11.376) million net, comprised of the following service be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Building	39,447.0	(11,375.7)
Total Program Budget	<u>39,447.0</u>	<u>(11,375.7)</u>

- (2) the Chief Building Official and Executive Director of Building Services submit a Briefing Note to the Planning and Transportation Committee in June 2006 addressing 2005 vacant positions and impact to 2005 and 2006 Performance;
- (3) the Chief Building Official and Executive Director of Building Services assess the workloads and needs of the Division and report back prior to the 2007 budget process on a long-term strategy for processing Building Permit applications within the legislated timeframes under Bill 124 and the new application review requirements under the *Brownfield's Statute Law Amendment Act*; and
- (4) the Chief Building Official and Executive Director of Building Services monitor the building permit fees collected during 2006 and report back to the Budget Advisory Committee as part of the 2007 budget process addressing whether the 4.6 percent Building Permit Fee increase was sufficient to achieve cost recovery as authorized under the *Building Code Act*.

(B) Business Support Services:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for Business Support Services:

the Business Support Services' 2006 Proposed Operating Budget of \$10.619 million gross and \$9.283 million net, comprised of the following service be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
Business Support Services	10,618.9	9,282.8
Total Program Budget	10,618.9	9,282.8

(C) City Planning:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for City Planning:

- (1) the City Planning's 2006 Proposed Operating Budget of \$32.164 million gross and \$13.460 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross (\$000s)	Net (\$000s)
City Planning	32,163.9	13,460.4
Total Program Budget	32,163.9	13,460.4

- (2) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget Process on a phased approach to increasing Community Planning and other Development Application Process Fees in the future that will allow for full cost recovery for all city-wide costs related to the processing of community planning and development applications; and
- (3) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget Process on the achievements of the one-window approach to the collection of fees under the Development Application Review Project 2006 work plan.

(D) Municipal Licensing and Standards:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Municipal Licensing and Standards:

- (1) the Municipal Licensing and Standards' 2006 Proposed Operating Budget of \$29.190 million gross and \$4.909 million net, comprised of the following service, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Municipal Licensing and Standards	<u>29,189.5</u>	<u>4,908.7</u>
Total Program Budget	<u><u>29,189.5</u></u>	<u><u>4,908.7</u></u>

- (2) the Deputy City Manager responsible for Municipal Licensing and Standards report to the Budget Advisory Committee in January 2006 on the potential for the recovery of sign permits and variance enforcement costs in accordance with the Sign By-law;
- (3) the Executive Director of Municipal Licensing and Standards report back to the Budget Advisory Committee in February 2006 addressing the potential service efficiencies arising from the consolidation of Municipal Licensing and Standards services at East York Civic Center;
- (4) the funding for the 2 new requests for the by-law enforcement component of "Multi-Unit Residential Waste Reduction Levy" and "Mandatory Waste Diversion By-Law of Single Family Residences" be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;

- (5) the 2006 Operating Budget for the Solid Waste Management Services by-law enforcement component, once approved, be transferred to the Municipal Licensing and Standards Division;
 - (6) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to the Municipal Licensing and Standards Division;
 - (7) the Deputy City Manager responsible for Municipal Licensing and Standards, continue to review functions within Municipal Licensing and Standards, Building Services, and City Planning to find ways to integrate initiatives and report back prior to the 2007 budget process on any resultant savings and service improvements realized; and
 - (8) the Executive Director of Municipal Licensing and Standards monitor enforcement costs of licenses and report back to the Budget Advisory Committee prior to the 2007 budget addressing whether the licensing fee increase was sufficient to address 100 percent cost recovery for enforcement, as authorized under the *Municipal Act*.
- (E) Clean and Beautiful City Secretariat:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Clean and Beautiful City Secretariat:

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

- (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.

(F) Community Partnership and Investment Program:

adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for the Community Partnership and Investment Program, Urban Development Service Envelope:

the 2006 Proposed Operating Budget of \$0.559 million gross, \$0.309 million net, for the Community Partnership and Investment Program, Urban Development Service Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000's)	Net (\$000's)
<u>Urban Development</u>		
Graffiti Transformation	309.3	309.3
Heritage Grant	250.0	0.0
	<hr/>	<hr/>
Total Urban Development Grants	559.3	309.3
	<hr/>	<hr/>

(G) Waterfront Secretariat:

adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Waterfront Secretariat:

- (1) the Waterfront Secretariat's 2006 Proposed Operating Budget of \$0.996 million gross and \$0.829 million net for the following service, be approved.

<u>Service:</u>	Gross (\$000's)	Net (\$000's)
Waterfront Secretariat	995.5	828.8
	<hr/>	<hr/>
Total Program Budget	995.5	828.8
	<hr/>	<hr/>

- (2) the required 2006 funding of \$0.047 million included in the 2006 Proposed Operating Budget for Waterfront Secretariat for the temporary Technical Co-ordinator position, be funded from within the 2006 Approved cash flow for the Waterfront Revitalization Initiative Capital Budget; and that the 2007 incremental impact of \$0.033 million be funded from within the projected cash flow for the Waterfront Revitalization Capital Budget in 2007.

- (2) requested the Budget Advisory Committee to consider:
- (a) funding the non-staffing costs of \$146,700 for the continuation of the Neighbourhood Beautification Program in 2006, and further that the staffing costs of \$237,100 for two positions for this program not be approved;
 - (b) funding the proposed Cycling Education Awareness Program in the amount of \$100,000.00 in 2007, subject to at least 50 percent of the funding being from external sources, including but not limited to, assistance from other orders of government and private sector sponsorships.

Action taken by the Committee:

The Budget Advisory Committee:

- (a) requested the Cycling Committee to submit to all Members of City Council literature respecting the Cycling Education Awareness Program and further request all Members of Council to include this information in their newsletters;
- (b) requested the Executive Director Municipal Licensing and Standards to report to the Planning and Transportation Committee:
 - (i) providing a review on a possible reduction in the training unit in order to de-emphasize the training for standard taxi licenses in order to free up staff resources for additional inspection capability; and
 - (ii) on the feasibility of increasing the fee for initial applications for standard taxi licences in order to decrease the renewal fees for long-standing taxi drivers; and
- (c) requested the Chief Planner and Executive Director, City Planning, to review the feasibility of licensing bicycle couriers and making bicycle safety part of the proposed initiative for the Bicycle Safety Program;
- (d) requested the Chief Planner and Executive Director, City Planning, to report to the Planning and Transportation Committee for its meeting of March 1, 2006, on the status of the Harmonized Zoning By-law project;
- (e) requested the City Solicitor to report to the Planning and Transportation Committee, providing a breakdown of the number of appeals, including but not limited to, Ontario Municipal Board Hearings that are represented by City staff and outside legal and the associated costs;
- (f) received the following communications:
 - (i) (December 16, 2005) from Toronto Cycling Committee, regarding the issue of Cycling on Sidewalks;

- (ii) (September 20, 2005) from the Policy and Finance Committee, referring the communication (August 3, 2005) from the City Clerk respecting request for additional Municipal Licensing and Standards Officer(s);
- (iii) (December 20, 2005) from the Toronto Pedestrian Committee, forwarding recommendations for the Planning and Transportation Committee to consider during the 2006 Operating Budget deliberations;
- (iv) (January 6, 2006) from May Chow, Chair, Bay Corridor Community Association, in support of the continuation of the Neighbourhood Beautification Program;
- (v) (January 5, 2006) from Russell Scott, Coordinator Children and Youth Services, Julie Troung, Co-ordinator, Human Resources and Administration, in support of the continuation of the Neighbourhood Beautification Program;
- (vi) (January 5, 2006) from Rafael Gomez, Executive Director, ThinkTankToronto, in support of the continuation of the Neighbourhood Beautification Program;
- (vii) (January 5, 2006) from Elaine Lapraire and Susan McKillen, in support of the continuation of the Neighbourhood Beautification Program;
- (viii) (January 9, 2006) from Russ Armstrong, Acting President, Canadian Union of Public Employees, Local 79;
- (ix) (January 6, 2006) from Ed Clements, Director of Resident Services. Christie Gardens, encouraging Members to support the continuation of the Neighbourhood Beautification Program at Christie Gardens; and
- (x) (undated) from Deputy Mayor Sandra Bussin, Chair, Roundtable on a Beautiful City, requesting funding in 2006 for the continuation of the Neighbourhood Beautification Program.

Background:

The Planning and Transportation Committee at its meeting held on January 9 and 20, 2006 considered the following communications:

- (a) (December 16, 2005) from Toronto Cycling Committee, regarding the issue of Cycling on Sidewalks;
- (b) (September 20, 2005) from the Policy and Finance Committee, referring the communication (August 3, 2005) from the City Clerk respecting request for additional Municipal Licensing and Standards Officer(s);
- (c) (December 20, 2005) from the Toronto Pedestrian Committee, forwarding recommendations for the Planning and Transportation Committee to consider during the 2006 Operating Budget deliberations;

- (d) (January 6, 2006) from May Chow, Chair, Bay Corridor Community Association, in support of the continuation of the Neighbourhood Beautification Program;
- (e) (January 5, 2006) from Russell Scott, Coordinator Children and Youth Services, Julie Troung, Co-ordinator, Human Resources and Administration, in support of the continuation of the Neighbourhood Beautification Program;
- (f) (January 5, 2006) from Rafael Gomez, Executive Director, ThinkTankToronto, in support of the continuation of the Neighbourhood Beautification Program;
- (g) (January 5, 2006) from Elaine Lapraire and Susan McKillen, in support of the continuation of the Neighbourhood Beautification Program; and
- (h) (January 9, 2006) from Russ Armstrong, Acting President, Canadian Union of Public Employees, Local 79;
- (i) (January 6, 2006) from Ed Clements, Director of Resident Services. Christie Gardens, encouraging Members to support the continuation of the Neighbourhood Beautification Program at Christie Gardens; and
- (j) (undated) from Deputy Mayor Sandra Bussin, Chair, Roundtable on a Beautiful City, requesting funding in 2006 for the continuation of the Neighbourhood Beautification Program.

The Planning and Transportation Committee also received the following presentations respecting the 2006 Operating Budgets under the purview of the Planning and Transportation Committee:

- (a) Building;
- (b) Business Support Services;
- (c) City Planning;
- (d) Municipal Licensing and Standards;
- (e) Clean and Beautiful City Secretariat;
- (f) Community Partnership and Investment Program; and
- (g) Waterfront Secretariat

The following persons addressed the Planning and Transportation Committee:

- Lily Chang, CUPE Local 79, and filed a copy of her submission;
- Martin Kobb, Toronto Cycling Network;
- Dr. Judy Adler, (Cycling Budget);
- Crawford Murphy, (Cycling Budget);
- Brigitte Nowak, (Cycling Budget);
- Kelsey Carriere, Streets are for People, and filed a copy of his submission;
- Shamez Amlani, Streets are for People;
- Joe Lobko; and
- Suzanne McCormick, Toronto Catholic District School Board, and filed a copy of a submission written by Angela Kennedy.

(Communication dated December 16, 2005, addressed to the
Planning and Transportation Committee from the
Toronto Cycling Committee entitled “Sidewalk Riding Counter
Measure: A Bicycle Education Plan”)

Recommendations:

It is recommended that:

- (1) the draft report (November 15, 2005) from Brigitte Nowak, Member, Toronto Cycling Committee, entitled “Sidewalk Riding Bicycle Safety Education Plan (Draft 3)”, be endorsed; and
- (2) the Chair, in consultation with Brigitte Nowak, finalize and make any stylistic changes he may deem appropriate to the report and submit to the Planning and Transportation Committee on January 9, 2006, with a request that the Planning and Transportation Committee consider the allocation of \$100,000.00 for the proposed Education and Awareness Program.

Background:

The Toronto Cycling Committee on November 21, 2005, considered a draft report (November 15, 2005) from Brigitte Nowak, Member, Toronto Cycling Committee, entitled “Sidewalk Riding Bicycle Safety Education Plan (Draft 3)”, regarding the issue of Cycling on Sidewalks.

A copy of the final report, as revised by Councillor Adam Giambrone, Chair, Toronto Cycling Committee, in consultation with Brigitte Nowak, Member, Toronto Cycling Committee, and now entitled “Sidewalk Riding Counter Measure: A Bicycle Safety Education Plan”, is attached for consideration by the Planning and Transportation Committee.

(Report dated December 15, 2005, respecting “Sidewalk Riding
Counter Measure: A Bicycle Safety Education Plan” from
Brigitte Nowak, Member, Toronto Cycling Committee)

Recommendations:

The Toronto Cycling Committee request the Planning and Transportation Committee to:

- (1) approve the Sidewalk Riding Counter Measure: A Bicycle Safety Education Plan program for 2006;
- (2) allocate an additional \$100,000.00 to the Transportation Planning, City Planning budget to carry out the Sidewalk Riding Counter Measure: A Bicycle Safety Education Plan, program in 2006; and

- (3) request the assistance of Toronto Police Service - Traffic Services Division, in developing and implementing the Sidewalk Riding Counter Measure: A Bicycle Safety Education Plan program.

Summary:

All road users deserve safe and effective transportation options. Sidewalks are intended to provide a safe travelling environment for pedestrians and child cyclists. However, as bicycles are considered vehicles under Ontario's Highway Traffic Act, many municipalities establish bylaws which regulate the use of bicycles on sidewalks. The City of Toronto prohibits bicycles with a wheel size larger than 24 inches from using the sidewalk. This bylaw allows young children to develop their skills before requiring them to ride with traffic on the road.

Adult cyclists are deemed to have the skill and knowledge to travel with other vehicles on the road. While on-road bicycle lanes provide cyclists with transportation alternatives, they are not universally available, or may be avoided for other reasons, or by individuals, such as senior cyclists. Adult cyclists who ride on the sidewalk do so for many reasons, primarily for perceived safety and convenience. Child cyclists who use the sidewalk also need to be educated about proper cycling procedures (speed, yield to pedestrians) and the dangers posed by cars exiting from driveways. Although not limited to a single demographic group, cyclists aged 15 - 24 are more likely to be observed riding on the sidewalk. Concerns about this practice have been raised by pedestrians, politicians, the public and police. To address the issue, a comprehensive public education plan, which includes both short and long term strategies, and focused and broad-based initiatives, has been developed.

Proposal:

Recognizing that cycling is a healthy physical activity and environmentally sustainable transportation alternative, programs to address sidewalk riding must focus on the reasons for the practice, and provide comprehensive countermeasures. Such measures will include:

- (i) safe, convenient cycling facilities, e.g. on-road bicycle lanes and off road trails;
- (ii) cyclist education and awareness and media supports;
- (iii) measures to address excessive motor vehicle speed and unsafe passing; and
- (iv) safety education for legal sidewalk riders.

Although this plan notes a number of factors associated with illegal sidewalk riding, many, such as police enforcement of traffic speed, enhanced infrastructure, i.e. bicycle lanes, and enhanced media exposure, are outside the responsibility of the safety subcommittee, which is proposing this plan. This plan will focus on the public education and awareness elements, referencing other components as required. Research has shown that public education and awareness strategies, combined with enforcement and infrastructure improvements, are effective in changing behaviour. For example, provincial seat belt campaigns and smoking cessation programs have been successful when implemented in a comprehensive manner.

This plan focuses on public education and awareness, recognizing that infrastructure and enforcement elements are ancillary to the scope of the proposal.

Issue:

The sidewalk is intended for use by pedestrians, child cyclists and other legal users, with adult cyclists and motorists sharing the roadway. Adult cyclists sometimes choose to ride on the sidewalk for reasons of perceived safety or convenience. Collision data indicates that sidewalk riding is a contributing factor in car-bike collisions, especially for cyclists aged 16 to 24. Pedestrians and a number of local politicians have raised this as a matter of concern in their neighbourhoods, and have tasked the Toronto Cycling Committee to develop solutions.

Objective:

To raise awareness, and propose a range of safety education and effective countermeasures to curb the practice of illegal sidewalk riding while promoting cycling as a viable transportation choice.

Target:

- (i) All cyclists;
- (ii) Cyclists aged 16 - 24, who are more likely to ride on the sidewalk and be involved in collisions;
- (iii) ESL communities; and
- (iv) Municipal politicians, the public, media: key to raising awareness.

Research:

The extent of the problem, reasons for its occurrence, and locations where it is most prevalent, should be determined, in order to aid in the development of effective countermeasures. Public education countermeasures developed in other jurisdictions should be reviewed, with a possible view to adapting such material with permission. Research should also focus on any correlation between incidents and the availability of bike lanes.

The 2003 City of Toronto Bicycle/Motor Vehicle Collision Study found that “in almost thirty percent of all collisions, the cyclists were riding on the sidewalk immediately prior to the collision. Young cyclists were much more likely to have been riding on the sidewalk than were adults. In fact, over half (53 percent) of the collision-involved cyclists under age 18 were riding on the sidewalk, whereas only 21 percent of those 18 and over were. Forty-six percent of collisions in the outer areas of the city involved sidewalk riding (522 cases), compared to only thirteen percent of the central area collisions (188 cases). This suggests that, in outer areas, either sidewalk riding is much more prevalent or it is much more likely to lead to a collision than it is in the central area

Rationale:

Younger cyclists, riding smaller bicycles, can legally ride on the sidewalk, so public education for cyclists beginning to ride independently and their parents should identify appropriate sidewalk riding practices, such as riding at pedestrian speed, as well as the dangers that sidewalk riding poses (e.g. cars backing out of driveways). Research has shown that cyclists aged 16 to 24 are more likely to ride on the sidewalk, in order to stay away from traffic, for convenience,

and as a conscious choice, possibly related to fear of traffic. These cyclists, as well as senior cyclists, may have limited experience in driving, and may feel uncomfortable in sharing the roadway with traffic, especially where that traffic moves quickly, for instance on arterial roads with higher speed limits. Cyclists of all ages may also be concerned about the condition of the roadway, including litter, potholes and obstructions in their driving lanes. Cyclists who ride on the sidewalk are more likely to do so in areas where pedestrian traffic is limited. This age group may also be more likely to disobey laws by choice.

Because traffic speed has been identified as a factor in sidewalk riding, efforts to curb sidewalk riding need to address traffic speed as one component.

In order to be effective, appropriate resources, including manpower and financial resources, must be allocated to the program.

Timelines:

An effective sidewalk riding public education program includes both short term initiatives and longer term strategies. Melding these elements will result in greater saturation than could be achieved with either an exclusively short term or long term program. Co-operation from other partners, including the police, politicians, safety professionals and cycling advocates, will also be necessary.

While some efforts can be undertaken on a short term basis, using available staff time and resources, to develop an effective campaign, both staff time and financial resources will need to be enhanced. The majority of the elements of this campaign are dependent on the availability of budget resources, necessitating program development over a period of several years.

Program Elements:

Broad-based:

Sidewalk riding can best be addressed by eliminating the reasons for the practice: implementing appropriately sized bike lanes, especially on arterial roads outside the core area, and ensuring that these additional routes effectively link destinations.

Police should be involved in developing a STEP program (Selective Traffic Enforcement Program), which should focus on motor vehicle speed and unsafe passing on a route where sidewalk riding has been identified as a problem, followed by enforcement of sidewalk riding. This program should be repeated regularly in order to gain compliance by both motorists and cyclists.

An effective poster should be developed with wording that can be translated into the languages prevalent in the area. A flyer that references this poster with related graphics should be developed as well. A bus shelter ad should also be included. Distribution for the poster, flyer and ad would include local schools, libraries, and businesses, including malls. Where possible, this poster should also be distributed to parks and community centres, and local police divisions. This poster should be attractive and relevant to the target audience, primarily those aged 16 to

24. The artwork for the flyer should be provided to local councillors for distribution through their constituency offices and local events.

A one page activity sheet aimed at 10 to 12 year olds (grades 5/6) should be developed in conjunction with educators and provided to all local schools providing information on sidewalk riding: appropriate practices, focusing on speed and sharing, avoiding dangers associated with sidewalk riding and preparing cyclists for future on-road travel by outlining educational opportunities such as CAN-BIKE.

Small ads should be placed in local newspapers, especially those focusing on ethnic audiences. These should be placed on a five week basis from April to October (first week in April, second week in May, third week in June, lowering the frequency as the cycling season progresses.) A "Cycling Guide" published in conjunction with a major newspaper, would provide information on safe cycling, including sidewalk riding, to a broader audience than would normally be captured through educational initiatives.

Since the issue of sidewalk riding is not limited to Toronto, other jurisdictions should be canvassed to identify effective strategies that could be adapted.

Focused:

As well, increasing and expanding the availability of cycling education is likely to have a positive effect. This should include:

- (a) the CAN-BIKE program, a comprehensive cycling education program - currently CAN - BIKE has limited uptake by all but the most committed of cyclists; and
- (b) a more general program focusing on traffic interaction, particularly focused on young people.

For cyclists who may legally ride on the sidewalk, and where it is not feasible to implement bicycle lanes, public education on the hazards inherent in sidewalk riding, and effective strategies for sharing paths and trails, should be delivered.

Injury prevention advocates should be asked to participate in efforts to reduce sidewalk riding. These include local (public health), regional and national (SmartRisk, SafeKids) organizations.

Local Programming:

In conjunction with a focus group of ESL teachers, a one-hour curriculum/ teaching unit should be developed to raise awareness of the issues around sidewalk riding, focusing both on the prohibition and on the safety issues for younger cyclists. This should be developed into a teaching unit and provided to all ESL teachers in the GTA. When effective cycling public awareness materials are available to the general school population, these materials should include information to curb sidewalk riding.

Safety and Education subcommittee will develop a letter to be sent from the Toronto Cycling Committee outlining the safety issues associated with sidewalk riding, inviting the councillor to work with the committee to develop effective public education solutions, and outlining how support for bike lanes can effectively reduce illegal sidewalk riding.

Prior to the development of public education materials, Cycling Ambassadors, city staff and members of the safety subcommittee will solicit invitations with councillors to discuss local solutions to sidewalk riding in their communities, and jointly develop some strategies that address the issue on a local level, and address possible reluctance to support bicycle lanes.

Community Police officers should be provided with information on how to address sidewalk cycling to the groups of students with whom they work.

Celebrities and politicians who participate in Bike Week can be encouraged to discuss sidewalk riding in interviews they conduct with the media. City staff can work with local television and radio stations, including those targetting ethnic audiences, to develop public education messages to address sidewalk riding and associated safety issues.

Budget:

In order to implement an effective sidewalk riding public education program, the City of Toronto should allocate one full time staff person to co-ordinate the program, including liaison with councillors, police, and outside service providers. This position should be funded for a period of two years. Subsequently, a half-time position should be required.

Increasing bicycle infrastructure for the City of Toronto has been identified as a priority in the City's Bicycle Plan. The construction of bicycle lanes should be focused on areas where illegal sidewalk riding is a problem.

Cycling instructors, especially those with second language skills, should be identified and information on availability of CAN-BIKE courses provided to police and schools in the area.

An ad agency should be brought on board to develop an effective and innovative public education program, and working with the city staff person, to manage the delivery of the program. The public education budget could break down as follows on an annual basis. Costs are annual estimates.

Research (best practices / focus testing)	\$10,000.00
Development of poster / flyer/ radio PSA	\$10,000.00
Printing	\$12,000.00
Bus shelter ad (development / distribution)	\$7,000.00
Community newspaper ads	\$5,500.00
Translation	\$3,000.00
Evaluation	\$7,500.00
FTE to manage and implement program	\$40,000.00
Total:	\$100,000.00

Evaluation:

An effective campaign should be budgeted at \$100,000 for the first two years, including staff allocations and excluding infrastructure improvements. Program maintenance should be budgeted at about 1/3 to 1/2 of this, depending on evaluation outcomes. Secured program funding is essential. These investments are a small percentage of health care costs associated with injuries resulting from sidewalk riding. A single individual with a brain injury may require medical and convalescent care that costs more than \$1 million annually. The Sidewalk Riding plan includes a number of initiatives which have the promise of success, if implemented in a comprehensive manner. Piecemeal approaches are unlikely to achieve significant safety benefits.

The effectiveness of the messaging, the reach of the program, and any reduction in sidewalk riding needs to be measured to determine if the program is effective, and how its effectiveness can be improved. This should be undertaken on an annual basis, with a focus on the first year. Councillors should also be canvassed to determine their awareness of, and level of satisfaction with, the program. Police should be asked to provide information on their sidewalk riding STEP programs.

(Communication dated September 20, 2005, addressed to the Planning and Transportation Committee and the Budget Advisory Committee from the Policy and Finance Committee entitled "Request for Additional Municipal Licensing and Standards Officer(s)")

The Policy and Finance Committee on September 20, 2005, referred the communication (August 3, 2005) from the City Clerk respecting request for additional Municipal Licensing and Standards Officer(s):

- (1) to the Planning and Transportation Committee for consideration; and
- (2) to the Budget Advisory Committee for consideration as part of the 2006 Operating Budget.

Background:

The Policy and Finance Committee on September 20, 2005, considered a communication (August 3, 2005) from the City Clerk advising that City Council on July 19, 20, 21 and 26, 2005, referred the following Motion to the Policy and Finance Committee.

Moved by Councillor Mammoliti, seconded by Councillor Moscoe

"Whereas the Municipal Licensing and Standards Division's mission is 'to enhance the quality of life in the City of Toronto by ensuring public safety, community integrity, consumer protection, and responsible business activities'; and

Whereas Municipal Licensing and Standards Officers predominantly enforce the following by-laws: Fences, Grass and Weeds, Heating, Business and Trades Licensing, including taxis and other mobile businesses, holistics, adult entertainment premises, Property Maintenance, Property Standards, Abandoned Appliances, Signs, Licensing, Vital Services, Zoning, Solid Waste and Waste Diversion, Litter and Graffiti; and

Whereas Municipal Licensing and Standards has a total of 221 officers, including the Districts, Clean City, Taxi, Waste, Trades and Right-of-Way; and

Whereas in 2004, the Municipal Licensing and Standards Division had a district-wide total of 36,323 investigation requests, 19,539 complaints and 46,092 inspections; and

Whereas the Municipal Licensing and Standards Division, for 2005, had a district-wide total of 14,394 investigation requests, 8,332 complaints and 14,227 inspections; and

Whereas the Mobile Enforcement Unit, for 2004, had a district-wide total of 33,980 inspections on all classes; 5,303 summons were issued; 851 Notices of Violation were issued; and 1,966 complaints were received; and

Whereas the Mobile Enforcement Unit, for 2005, had a district-wide total of 10,234 inspections on all classes; 907 summonses were issued; 473 Notices of Violation were issued; and 718 complaints were received; and

Whereas the Division faces enforcement priorities relating to Marijuana Grow House operations, Holistics, Mobile Signs and Building Audits; and

Whereas it is clearly seen that the Division is highly under staffed;

Now Therefore Be It Resolved That City Council endorse a recommendation to the Budget Advisory Committee to hire 44 new Municipal Licensing and Standards Officers in 2006 that would be assigned equally across the City's 44 wards."

(Communication dated August 3, 2005, addressed to the
Policy and Finance Committee from the City Clerk)

City Council on July 19, 20, 21 and 26, 2005, referred the following Motion to the Policy and Finance Committee:

- I(2) Request for Additional Municipal Licensing and Standards Officer(s)
Moved by Councillor Mammoliti, seconded by Councillor Moscoe

"Whereas the Municipal Licensing and Standards Division's mission is 'to enhance the quality of life in the City of Toronto by ensuring public safety, community integrity, consumer protection, and responsible business activities'; and

Whereas Municipal Licensing and Standards Officers predominantly enforce the following by-laws: Fences, Grass and Weeds, Heating, Business and Trades Licensing, including taxis and other mobile businesses, holistics, adult entertainment premises, Property Maintenance, Property Standards, Abandoned Appliances, Signs, Licensing, Vital Services, Zoning, Solid Waste and Waste Diversion, Litter and Graffiti; and

Whereas Municipal Licensing and Standards has a total of 221 officers, including the Districts, Clean City, Taxi, Waste, Trades and Right-of-Way; and

Whereas in 2004, the Municipal Licensing and Standards Division had a district-wide total of 36,323 investigation requests, 19,539 complaints and 46,092 inspections; and

Whereas the Municipal Licensing and Standards Division, for 2005, had a district-wide total of 14,394 investigation requests, 8,332 complaints and 14,227 inspections; and

Whereas the Mobile Enforcement Unit, for 2004, had a district-wide total of 33,980 inspections on all classes; 5,303 summons were issued; 851 Notices of Violation were issued; and 1,966 complaints were received; and

Whereas the Mobile Enforcement Unit, for 2005, had a district-wide total of 10,234 inspections on all classes; 907 summonses were issued; 473 Notices of Violation were issued; and 718 complaints were received; and

Whereas the Division faces enforcement priorities relating to Marijuana Grow House operations, Holistics, Mobile Signs and Building Audits; and

Whereas it is clearly seen that the Division is highly under staffed;

Now Therefore Be It Resolved That City Council endorse a recommendation to the Budget Advisory Committee to hire 44 new Municipal Licensing and Standards Officers in 2006 that would be assigned equally across the City's 44 wards."

Council also considered the following:

- Fiscal Impact Statement (July 20, 2005) from the Deputy City Manager and Chief Financial Officer.
-

(Communication dated January 17, 2006, addressed to the Budget Advisory Committee from the Works Committee, entitled "2006 Operating Budgets – Works Committee")

Recommendations:

The Works Committee on January 11, 12 and 16, 2006:

(I) Solid Waste Management Services:

- (a) recommended to the Budget Advisory Committee that City Council adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Solid Waste Management Services:

- (1) the Solid Waste Management Services 2006 Proposed Operating Budget of \$227.091 million gross and \$173.656 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Support	30,152.2	19,316.7
Collection	95,291.1	92,110.9
Transfer	24,480.6	12,752.8
Processing	31,149.1	9,096.4
Disposal	46,018.4	40,378.8
	<hr/>	<hr/>
Total Program Budget	227,091.4	173,655.6

- (2) Solid Waste Management Services report back to the Works Committee in March 2006 with respect to emerging issues that have costs/risks associated with the potential border closing to Toronto's waste and contract renegotiations;
- (3) the funding for the 2 new requests for the by-law enforcement component of "Multi-Unit Residential Waste Reduction Levy" and "Mandatory Waste Diversion By-Law of Single Family Residences" be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the co-ordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;
- (4) the 2006 Operating Budget for the Solid Waste Management Services by-law enforcement component, once approved, be transferred to the Municipal Licensing and Standards Division;
- (5) the \$3.166 million contribution from the 2006 Operating Budget to the Perpetual Care of Landfill Reserve Fund be deferred for consideration pending report back from:

- the General Manager, Solid Waste Management Services, to the Budget Advisory Committee in February 2006 on the operational implications of not making a contribution in 2006 to the reserve fund, given the adequacy of the reserve fund; and
 - the Deputy City Manager/Chief Financial Officer to the Budget Advisory Committee in February 2006 on whether any source of funding is available for a 2006 reserve fund contribution;
- (6) the General Manager, Solid Waste Management Services, report back to the Works Committee in March 2006 with the implications of how Council decisions that have been made since June 2005 may have an impact on the Program's ability to meet the 2008 to 2012 Diversion targets and time lines, as outlined in its Council-approved Business Plan (approved in June 2005), as well as the financial impacts of these decisions on the City; and
- (7) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to the Municipal Licensing and Standards Division;
- (b) supported in principle the following motion by Councillor De Baeremaeker and directed that it be forwarded to the Budget Advisory Committee for consideration, with a request that the General Manager, Solid Waste Management Services report to the Budget Advisory Committee on whether the motion is consistent with the report adopted by City Council on July 19, 20, 21 and 26, 2005, headed "Implementation of Multi-Unit Waste Reduction Levy":
- "That the General Manager, Solid Waste Management Services be directed to ensure that the Multi-Unit Waste Reduction Levy contained in the New and Enhanced Category of the 2006 Solid Waste Management Services Budget be operated on a cost-recovery basis."; and
- (c) supported in principle the following motion by Councillor De Baeremaeker and directed that it be forwarded to the Budget Advisory Committee for consideration:
- "That the Solid Waste Management Services Operating Budget be increased by adding the following New and Enhanced Services:
- (i) Enforcement of Mandatory Waste Diversion By-Law in the amount of \$359.2 thousand gross and net; and
 - (ii) Waste Bag Reduction Limit from 6 to 5 Bags in the amount of \$305.8 thousand gross and net."

(II) Transportation Services:

- (a) recommended to the Budget Advisory Committee that City Council adopt the following Operating Budget recommendation contained in the Analyst Briefing Notes for Transportation Services:

It is recommended that the Transportation Services 2006 Proposed Operating Budget of \$287.237 million gross and \$189.765 million net, comprised of the following services, be approved:

Service:	Gross (\$000's)	Net (\$000's)
Roadway Services	129,038.0	91,958.2
Roadside Services	57,936.8	24,220.3
Traffic Planning/Row Mgmt	11,229.7	(5,927.3)
Traffic and Safety Services	50,015.8	45,803.2
Infrastructure Management	14,892.3	12,576.3
District Mgmt and Overhead	1,268.1	(1,631.9)
Technical And Program Support	22,766.4	22,766.4
Total Program Budget	<u>287,237.1</u>	<u>189,765.3</u>

subject to increasing the budget by adding the following New and Enhanced Services:

- (i) Sidewalk Repair Backlog, Scarborough District in the amount of \$200.0 thousand gross, \$200.0 thousand net; and
- (ii) Mechanical Street Sweeping – Scarborough District in the amount of \$300.0 thousand gross, \$300.0 thousand net;
- (b) referred the following motion to the Budget Advisory Committee for consideration during the budget wrap up:

“That:

- (1) the 2004 City's contribution of \$22,289.00 be reduced to \$14,000.00 for the 2006 Pedestrian Sundays in Kensington Market, and that this cost be absorbed within the Transportation Services Budget; and
- (2) the General Manager, Transportation Services be requested to establish a staff working group to continue to work with the Kensington Market Community to implement the 2006 Pedestrian Sundays in Kensington Market.”;

(III) Technical Services:

- (a) recommended to the Budget Advisory Committee that City Council adopt the following Operating Budget recommendations contained in the Analyst Briefing Notes for Technical Services:

- (1) the Technical Services' 2006 Proposed Operating Budget of \$60.840 million gross and \$5.152 million net, comprised of the following services, be approved:

Service:	Gross (\$000's)	Net (\$000's)
Facilities and Structures	8,881.7	6,651.5
Survey and Mapping	18,008.7	6,887.6
Environmental Services	2,307.3	2,266.0
Development Engineering	5,451.6	3,306.6
District Engineering	18,506.8	7,835.4
Office of Emergency Management	2,286.0	1,633.2
Program Administration	587.5	587.5
Support Services	4,810.8	4,810.8
Inter-Divisional Charges		(28,827.0)
Total Program Budget	<u>60,840.4</u>	<u>5,151.6</u>

- (2) the New Service Request for the Delivery of Green Toronto Awards Program be approved, and that the 2006 required funding of \$0.060 million be absorbed within the Technical Services' 2006 Proposed Operating Budget; and

- (3) any adjustments to Technical Services' 2006 Proposed Operating Budget made through the political review process be made in Technical Services' clients' operating budgets after Council approval of the 2006 Operating Budget;

- (b) referred the following New and Enhanced Services to the Budget Advisory Committee for consideration, with a request that the Executive Director, Technical Services report to the Budget Advisory Committee on possible offsets for these services:

- GIS Mapping for Critical Infrastructure Program (Survey and Mapping) in the amount of \$74.2 thousand gross, \$14.9 thousand net; and

- Emergency Management Software in the amount of \$50.0 thousand gross, \$30.0 thousand net; and
- CBRN Support – Clerical/Admin. Staff in the amount of \$55.3 thousand gross, \$0.0 net.

Action taken by the Committee:

The Works Committee:

Solid Waste Management Services:

- (a) requested the General Manager, Solid Waste Management Services to report to the Budget Advisory Committee on proposals to reduce the Solid Waste Management Services 2006 Operating Budget by a further \$5 million to meet the target;
- (b) requested Deputy City Manager Fareed Amin to communicate to City Councillors the deadline for requests for delivery of extra loads of compost, in order to minimize costs;
- (c) received the communication (December 19, 2005) from the City Clerk respecting Environment Days Date Selection Discussion Results and Increasing the Number and Hours of Operation of Environment Day Events; and further requested the General Manager, Solid Waste Management Services to advise all Councillors of the policy with respect to Environment Days, including the policy of holding Environment Days on Sundays;

Transportation Services:

- (d) requested the General Manager, Transportation Services to report monthly on the Pedestrian Plan to the Pedestrian Committee; and
- (e) requested the General Manager, Transportation Services to provide a Briefing Note to the Members of the Works Committee and the Budget Advisory Committee on the transfer of funding in the amount of \$171.0 thousand for the pick-up of dead animals to Public Health, Animal Services, such Briefing Note to include the background on the negotiations with respect to the decision to transfer this funding.

Background:

The Works Committee on January 11, 12 and 16, 2006, considered the following:

- (i) Analyst Briefing Notes with respect to the following 2006 Operating Budgets under the purview of the Works Committee:
 - Solid Waste Management Services;
 - Transportation Services; and
 - Technical Services.

- (ii) Briefing Note (October 26, 2005) from the Acting General Manager, Solid Waste Management Services responding to the request of the Works Committee on October 11, 2005, to provide information on the feasibility of permitting Councillors to have additional free compost days for local residents.
- (iii) Communication (December 19, 2005) from the City Clerk advising that City Council on December 14 and 16, 2005, referred back to the Works Committee for further consideration, together with the following motion by Councillor Moscoe, Works Committee Report 11, Clause 7, headed “Environment Days Date Selection Discussion Results and Increasing the Number and Hours of Operation of Environment Day Events”:

“That the Clause be amended to provide that Councillors be allowed to conduct their Environment Day on a Sunday in those Wards with a sufficiently large Orthodox Jewish or Seventh Day Adventist population, at the discretion of the Councillor.”;

and further noting in the Clause that the Works Committee on November 8 and 9, 2005:

- (a) postponed the following motion by Councillor Palacio until the January 11, 2006, meeting of the Works Committee for consideration with the 2006 Operating Budget for Solid Waste Management Services:

“That:

- (1) the number of Environment Days be increased from 44 to 88 (two per Ward) per year; or
 - (2) the hours of operation on Environment Days be extended by three hours;
 - (3) should Council decide to increase the number of environmental days from 44 to 88 in 2006, or extend the hours of operation on Environmental Days by three hours, Solid Waste Management Services be requested to secure the required funding through the 2006 Operating Budget for Environment Days.”; and
 - (b) requested the Acting General Manager, Solid Waste Management Services to submit a Briefing Note for consideration with the 2006 Operating Budget providing a breakdown of the statistics related to Environment Days, i.e., the number of attendees by Ward, the number of green and blue boxes given away, and the tonnage collected.
- (iv) Briefing Note (January 9, 2006) from the General Manager, Solid Waste Management Services responding to the request of the Works Committee to provide a breakdown of the statistics related to Environment Days, including diversion, sales and attendance totals.

- (v) Communication (December 20, 2005) from the Toronto Pedestrian Committee advising that the Committee on December 15, 2005, recommended to the Works Committee that City Council commit an allocation to provide logistical support, such as barricades, signage, pylons, paid duty police, etc. for holding Pedestrian events, for seven days in Kensington Market in the summer of 2006 and to secure funding through the 2006 Operating Budget for Transportation Services.
- (vi) Communication (January 11, 2006) from Russ Armstrong, Acting President, Canadian Union of Public Employees, Local 79, providing comments with respect with the 2006 Operating Budgets for Solid Waste Management Services, Transportation Services, Technical Services and Support Services.
- (vii) Communication (January 11, 2006) from Councillor Adam Giambrone, Ward 18, Davenport, respecting 2006 Pedestrian Sundays in Kensington Market; and recommending that:
 - (1) the 2004 City's contribution of \$22,289.00 be reduced to \$14,000.00 for the 2006 Pedestrian Sundays in Kensington Market, and that this cost be absorbed within the Transportation Services Budget; and
 - (2) the General Manager, Transportation Services be requested to establish a staff working group to continue to work with the Kensington Market Community to implement the 2006 Pedestrian Sundays in Kensington Market.

The following persons provided the Works Committee with presentations on the 2006 Operating Budgets under its purview:

- Josie LaVita, Director, Financial Planning, Finance Services;
- Fareed Amin, Deputy City Manager;
- William G. Crowther, Executive Director, Technical Services;
- Gary Welsh, General Manager, Transportation Services; and
- Richard Butts, General Manager, Solid Waste Management Services.

The following persons addressed the Works Committee:

- Lily Chang, Treasurer, Canadian Union of Public Employees, Local 79, and filed a written submission;
- Michael Rosenberg respecting the Transportation Services budget (Kensington Market);
- Kelsey Carriere, Streets are for People, respecting the Transportation Services budget (Kensington Market), and filed a written submission;
- Michael Johnson and Shamez Amlani, respecting the Transportation Services budget (Kensington Market);
- Helen Riley Co-Chair, Toronto Pedestrian Committee, respecting the Transportation Services budget;

- Councillor Denzil Minnan-Wong, Ward 34 Don Valley East; and
- Councillor Janet Davis, Ward 31 Beaches-East York.

(Communication dated December 20, 2005, addressed to the
Works Committee from the Toronto Pedestrian Committee)

Recommendation:

The Toronto Pedestrian Committee, at its meeting of December 15, 2005, recommended to Works Committee that City Council commit an allocation to provide logistical support such as barricades, signage, pylons, paid duty police, etc., for holding Pedestrian events, for seven days in Kensington Market in the summer of 2006 and to secure funding through the 2006 Operating Budget for Transportation Services.

Background:

The Toronto Pedestrian Committee, on December 15, 2005, considered a communication (December 15, 2005) from Michael Rosenberg, Treasurer, P.S. Kensington Working Group, advising the Toronto Pedestrian Committee that P.S. Kensington will be holding seven pedestrian days in Kensington Market in the summer of 2006. These events provide pedestrianization of three streets, Kensington, Baldwin and Augusta.

(A copy of the communication referred to was forwarded to all Members of Council with the agenda of the Works Committee for its meeting on January 11, 12 and 16, 2006, and a copy is on file in the office of the City Clerk, City Hall.)

(Communication dated January 11, 2006, addressed to the
Works Committee from Councillor Adam Giambrone,
Ward 18 - Davenport)

Whereas the City of Toronto piloted Pedestrian Sundays in Kensington Market in 2004;

Whereas staff surveyed the merchants and discovered that 50 percent noticed an increase of their business;

Whereas 96 percent of the residents support continuing the pedestrian zone;

Be It Resolved That the City of Toronto, through the Transportation Services Division, continue to sponsor 2006 Pedestrian Sundays in Kensington Market (as in 2004), and reduce the 2004 City's contribution of \$22,289.00 to \$14,000.00 for 2006, and that the cost be absorbed within the Transportation Services Division budget;

Be It Further Resolved That the General Manager, Transportation Services establish a staff working group to continue to work with the Kensington Market Community to implement this initiative.

Appendix 6(C)
(Operating Budget)
Reports and Communications received by
the Budget Advisory Committee

Citizen Centred Services - A

Economic Development

- (1) Communication (December 12, 2005) from the City Clerk, advising that City Council on December 5, 6 and 7, 2005, adopted without amendment, Clause 2b of Report 9 of the Economic Development and Parks Committee, entitled "International Alliance Program (All Wards)" 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.

Emergency Medical Services

- (2) Report (January 19, 2006) from the General Manager, Emergency Medical Services, entitled "Public Access Defibrillation Program Operating Costs", on the annual operating requests required to manage the support of the Public Access Defibrillation Program (PADs), as requested by the Budget Advisory Committee on November 18, 2005.

Parks, Forestry and Recreation

- (3) Communication (July 27, 2005) from the City Clerk, advising that City Council on July 19, 20, 21 and 26, 2005, adopted without amendment, Clause 7 of Report 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.
- (4) Communication (October 3, 2005) from the City Clerk, advising that City Council on September 28, 29 and 30, 2005, adopted without amendment, Clause 13 of Report 8 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.
- (5) Communication (November 1, 2005) from the City Clerk, advising that City Council on October 26, 27, 28 and 31, 2005, adopted without amendment, Clause 39 of Report 9 of the Policy and Finance Committee, entitled "Exchange of Services Agreement Between

the City of Toronto and Toronto Catholic District School Board (All Wards)” and forwarded a copy of the Clause to the Budget Advisory Committee for consideration during the 2006 Operating Budget review.

Social Development, Finance and Administration

- (6) Communication (November 8, 2005) from the City Clerk, advising that City Council on October 26, 27, 28 and 31, 2005, adopted, as amended, Clause 6 of Report 9 of the Policy and Finance Committee, entitled “Toronto Strong Neighbourhoods Strategy”, and requested that the recommendations of the Toronto Strong Neighbourhoods Strategy be given priority consideration in the 2006 budget process.

Citizen Centred Services - B

Clean and Beautiful Secretariat/Clean and Beautiful Initiative

- (7) Communication (January 24, 2006) from Deputy Mayor Sandra Bussin, Chair, Roundtable on a Beautiful City. (Referred Motion 3 to wrap-up).

Municipal Licensing and Standards

- (8) Communication (November 8, 2005) from the City Clerk, advising that City Council on October 26, 27, 28 and 31, 2005, adopted, as amended, Clause 1 of Report 9 of the Planning and Transportation Committee, entitled “Review of Business Licensing Fees” and referred a copy to the Budget Advisory Committee for consideration.

Technical Services

- (9) Communication (October 3, 2005) from the City Clerk, advising that City Council at its meeting on September 28, 29 and 30, 2005, adopted without amendment, Clause 36 of Report 8 of the Policy and Finance Committee, entitled “Request to Technical Services to Examine the Cumulative Air Quality Impact of Emissions from Sources in the South Riverdale and Beaches Communities (Wards 30 and 32)” and directed that a copy be forwarded to the Budget Advisory Committee for consideration in the 2006 Budget process.

Transportation Services

- (10) Communication (February 2, 2006) from the East Toronto Climate Action Group in support of Pedestrian Sundays in Kensington Market.

Internal Services

Office of the Treasurer

- (11) Communication (December 15, 2005) from the City Clerk, advising that City Council on December 5, 6 and 7, 2005, adopted, as amended, Clause 17 of Report 10 of the Policy

and Finance Committee, entitled “User Fees: Parking Tag Operations” and has forwarded a copy to the Budget Advisory Committee for information.

Corporate Communications

- (12) Communication (August 2, 2005) from the City Clerk, advising that City Council on July 19, 20, 21 and 26, 2005, adopted, as amended, Clause 14 of Report 6 of the Administration Committee, entitled “Metroland Publishing Open Contract 47009067, Globe and Mail Open Contract 47009074” and requested that the Budget Advisory Committee, during the 2006 budget process, give consideration to reducing the advertising budget to all divisions by \$500,000.00.

Facilities and Real Estate

- (13) Communication (January 2, 2006) from Jane Beecroft, President, Community History Project, requesting that the City give due attention to investment in the City’s assets and to the real basis of tourism.

Fleet Services

- (14) Report (February 3, 2006) from the Chief Corporate Officer, entitled “Sole Source Supplier Contract for Parts”, providing a response to the viability of all Divisions and ABCs participating in the Sole Source Supplier Contract for parts that Fleet Services has initiated and any potential savings.

Special Purpose Bodies

Association of Community Centres

- (15) Communication (January 24, 2006) from Councillor Bill Saundercook, Ward 13 Parkdale-High Park, in support of the Swansea Town Hall’s request for funding toward a Volunteer Co-ordinator.

Toronto Public Health

- (16) Communication (February 6, 2006) from the City Clerk, advising that City Council on January 31, February 1 and 2, 2006, adopted without amendment, Clause 37 of Report 1 of the Policy and Finance Committee, entitled “Health Canada Funding for ‘Taking Action on Chlamydia’ Evaluation Plan” and adopted the following recommendations:

“That:

- (1) an amount of \$10,000.00 gross expenditure and \$10,000.00 revenue be added to the 2006 Toronto Public Health Operating Budget to develop an evaluation plan for ‘Taking Action on Chlamydia’; and
- (2) the appropriate City official be authorized to take the necessary action to give effect thereto.”

- (17) Communication (February 6, 2006) from the City Clerk, advising that City Council on January 31, February 1 and 2, 2006, adopted without amendment, Clause 38 of Report 1 of the Policy and Finance Committee, entitled “Health Canada Funding for Peer Nutrition Program Evaluations” and adopted the following recommendations:

“That:

- (1) an amount of \$35,000.00 gross expenditure and \$35,000.00 revenue be added to the 2006 Toronto Public Health Operating Budget for the Peer Nutrition Program Evaluation; and
- (2) the appropriate City official be authorized to take the necessary action to give effect thereto.”

Toronto Transit Commission

- (18) Communication (December 20, 2005) from the General Secretary, Toronto Transit Commission, advising that the Commission on December 16, 2005, approved the following Resolution: “That the Commission approve interim Wheel-Trans funding for the period ending March 31, 2006 in the amount of \$15 million to increase service levels and meet anticipated demand; and further that this matter be referred to the City Budget Advisory Committee for information.”
- (19) Communication (February 10, 2006) from the General Secretary, Toronto Transit Commission, advising that the Commission on February 8, 2006, held a special meeting to discuss the issue of a possible TTC fare increase; and forwarding the draft minutes detailing the decisions made at this meeting along with a subsequent Press Release announcing the approved fare increase which will take effect April 1, 2006.

Toronto Parking Authority

- (20) Communication (November 4, 2005) from the City Clerk, entitled “Extension of Free Parking for Canadian Veterans”, advising that City Council on October 26, 27, 28 and 31, 2005, re-opened Motion J(2), entitled “Free Parking for Canadian Veterans”, adopted, as amended, by City Council at its meeting on July 19, 20, 21 and 26, 2005, for further consideration, and referred the balance of the Motion to the Toronto Parking Authority, the Budget Advisory Committee and the Policy and Finance Committee for consideration.

Toronto Police Service

- (21) Communication (January 18, 2006) from the Chair, Toronto Police Services Board, entitled “Response to Toronto City Council Request for Status Update on the Long-term Facilities Plan – New and Replacement Facilities for the Toronto Police Service”, responding to a request by City Council for information on a five-year plan for new and replacement facilities for the Toronto Police Service and recommending that the Budget Advisory Committee receive the report.

- (22) Communication (January 31, 2006) from the Chair, Toronto Police Services Board, forwarding, as requested, by the Budget Advisory Committee at its meeting on January 13, 2006:
- Minute P52/05 from the Toronto Police Services Board meeting held on February 10, 2005, with regard to the costs related to policing the Entertainment District; and
 - report (January 19, 2006) addressed to the Toronto Police Services Board, from the Chief of Police, containing a response to a request for information on the feasibility of creating a Construction Enforcement Unit.
- (23) Communication (February 3, 2006) from the Chair, Toronto Police Services Board, entitled “Response to Budget Advisory Committee Motions from the Meeting Held on January 13, 2006 Regarding the Toronto Police Service and Toronto Police Service-Parking Enforcement Unit 2006 Operating Budget Requests”, forwarding the action taken by the Toronto Police Services Board at its special meeting held on February 2, 2006, on the following reports submitted to the Board:
- (i) (February 2, 2006) from the Chief of Police, entitled “Response to the Budget Advisory Committee Motions from the Meeting Held on January 13, 2006 Regarding the Toronto Police Service - 2006 Operating Budget Request”; and
 - (ii) (February 2, 2006) from the Chief of Police, entitled “Response to the Budget Advisory Committee Motions from the Meeting Held on January 13, 2006 Regarding the Toronto Police Service – Parking Enforcement Unit - 2006 Operating Budget Request”.

Corporate Accounts

Community Partnership and Investment Program

- (24) Communication (August 2, 2005) from the City Clerk, advising that City Council on July 19, 20, 21 and 26, 2005, adopted, as amended, Clause 15 of Report 7 of the Economic Development and Parks Committee, entitled “Major Recreation Grants Program – Variety – The Children’s Charity (Ward 36 Scarborough Southwest)” and forwarded a copy to the Budget Advisory Committee for consideration during the 2006 Operating Budget process.
- (25) Communication (August 2, 2005) from the City Clerk, advising that City Council on July 19, 20, 21 and 26, 2005, adopted, as amended, Clause 9 of Report 7 of the Economic Development and Parks Committee, entitled “2005 Recreation Grants Program - Recommendations and Appeals (All Wards)” and recommended to the Budget Advisory Committee that, given the need within Recreation Grants Program, an increase in Recreation Grants funding be considered during the 2006 Budget Process.

- (26) Communication (December 15, 2005) from the City Clerk, advising that City Council on December 5, 6 and 7, 2005, referred the following Motion to the Budget Advisory Committee for consideration with the 2006 Operating Budget:

“Whereas The Honourable Albina Guarnieri, Minister of Veterans Affairs, has declared 2005 the ‘Year of the Veteran’; and

Whereas Toronto’s contribution in troops and material to Canada’s Second World War effort was considerable and significant; and

Whereas over 50 Canadian schools, including Toronto’s students, have visited the Juno Beach Centre to gain insights into Canada’s participation in World War II ; and

Whereas the City of Toronto, as the leading Canadian City, has a responsibility to commemorate Canada’s contribution in one of the pivotal events in the 20th century and recognize its Veterans who defended our freedoms; and

WhereasS the Juno Beach Centre Association’s previous request obtained the support of the City of Toronto;

Now Therefore Be It Resolved That the City of Toronto agree to make a further contribution of \$25,000.00, to cover the operational costs of the Juno Beach Centre Association;

And Be It Further Resolved That the Budget Advisory Committee, in consultation with the Deputy City Manager and Chief Financial Officer, be requested to recommend the source of funding for this initiative and report to the next meeting of City Council, through the Policy and Finance Committee, on an identified source of funds.”

- (27) Report (December 19, 2005) from the General Manager, Parks, Forestry and Recreation, entitled “Variety – The Children’s Charity (Ward 36 Scarborough Southwest)”, reporting on the ongoing viability of Variety Village, and recommending that the report be received for information.

- (28) Communication (January 17, 2006) from the Advisory Committee on Homeless and Socially Isolated Persons, entitled “Request for Emergency Food Fund for Drop-In Centres”, requesting that the Budget Advisory Committee consider the following motion in consideration of the 2006 Operating Budget for the City.

“Whereas the lack of nutritious food is leading to malnutrition and hunger amongst people on low income and homeless people; and

Whereas Drop-In Centres throughout the City of Toronto provide foodstuffs for poor people and are seriously underfunded to fulfill that life saving task; and

Whereas food obtained in Drop-In Centres helps people to retain their housing because the income of poor people is not enough to eat and to pay the rent;

Now Therefore Be It Resolved That the City should develop an emergency food fund of \$500,000.00 to be made available to the Drop In Centres because of the serious shortfall in funds available to feed people;

And Be It Further Resolved That after delivering the emergency food fund the City should take three months to determine the yearly financial needs of Drop-In Centres, particularly in regards to their delivery of safe, adequate, and nutritious food to those people on low income;

And Be It Further Resolved That after determining the Drop In needs, the City should make provision for necessary funds on a yearly basis.”

- (29) Communication (February 8, 2006) from the City Clerk, advising that City Council on January 31, February 1 and 2, 2006, adopted, as amended, Clause 1 of Report 1 of the Economic Development and Parks Committee, entitled “ICT Toronto: An Information and Communication Technology Cluster Development Strategy (All Wards)” and requested the Budget Advisory Committee to consider granting the Toronto Region Research Alliance a Grant in the amount of \$100,000.00 through the 2006 budget process.

Non-Program Expenditures and Revenues

- (30) Communication (October 3, 2005) from the City Clerk, advising that City Council on September 28, 29 and 30, 2005, adopted without amendment, Clause 39 of Report 8 of the Policy and Finance Committee, entitled “The Corporation of the City of York Employee Pension Plan, Actuarial Valuation of Funding Purposes as at January 1, 2005” and forwarded the following Recommendation (5) to the Budget Advisory Committee for its consideration during the 2006 Budget Process:

“(5) annual funding of \$1,059,444.00 for the years 2006 to 2009 and \$349,320.00 for the years 2010 to 2014 be included in the respective years’ Non-Program Expenditure Budget submission;”.

- (31) Communication (October 3, 2005) from the City Clerk, advising that City Council on September 28, 29 and 30, 2005, adopted without amendment, Clause 40 of Report 8 of the Policy and Finance Committee, entitled “Metro Toronto Police Benefit Fund, Actuarial Valuation as at December 31, 2004” and forwarded the following recommendation 2(f) to the Budget Advisory Committee for its consideration during the 2006 Budget Process:

“2(f) annual funding of \$11,614,800.00 for the years 2006 to 2009 and \$225,600.00 for the years 2010 to 2014 inclusive be included in the respective years’ Non-Program Expenditure Budget submission;”.

Appendix 6(D)
2006 Operating Briefing Notes

Corporate

- (1) Attrition Rate (Turnover Rate)
- (2) Continuous Improvement
- (3) Cost Containment Measures to Mitigate Projected Deficits
- (4) Economic Factors
- (5) Fringe Benefit Rate
- (6) Gapping Analysis
- (7) Gapping Analysis – Revised
- (8) List of Budget Adjustments for 2001, 2002, 2003, 2004 and 2005
- (9) Overtime Expenditures and Lieu Time
- (10) Overtime Expenditures and Lieu Time (Revised to include Appendix 2)
- (11) Summary of 2006 Proposed Approved Positions (Levy Operations)
- (12) Summary of Budgeted Salary and Benefit Costs
- (13) Summary of Changes in Approved Positions from 1998 through 2005
- (14) User Fee Changes Proposed in the 2006 Operating Budget
- (15) User Fee Changes Proposed in the 2006 Operating Budget Requiring a 4-day Notice Period

General

- (16) Proposed Allocation of Enhanced Provincial Funding for Public Health

Citizen Centred Services – “A”

Court Services

- (17) Impact assessment resulting from continuing shortage of Justices of the Peace

Economic Development

- (18) Greater Toronto Marketing Alliance GTMA
- (19) Pilot Program to Cost-Share Tree Watering with BIAs
- (20) Pilot Program to Cost-Share Tree Watering with BIAs (No. 2)

Economic Development, Culture and Tourism

- (21) Budget Advisory Committee In-Camera Motion on Economic Development, Culture and Tourism (Confidential)

Emergency Medical Services

- (22) Proposed Reduction Option for Emergency Medical Services (EMS)(Confidential)
- (23) Public Access Defibrillation (PAD) Program Roll-out
- (24) Revenue Generation Potential

- (25) Two Requests Emergency Medical Services – Possible Budget Reductions to the 2006 Proposed Operating Budget (Confidential)

Parks, Forestry and Recreation

- (26) 1998 Listing of Priority Centres
- (27) Earthkeepers Program
- (28) Implementation of Seniors Recreation Strategy
- (29) Opening One School in Each of the 13 Priority Neighbourhoods
- (30) Ravine and Watercourse Management Plan
- (31) Training in the Trades
- (32) Youth Recreation Strategy

Shelter, Support and Housing Administration

- (33) Request for information related to the 2006 Operating Budget
- (34) Public Information and Education Program Regarding Termite Identification, Treatment and Eradication
- (35) Public Information and Education Program Regarding Termite Identification, Treatment and Eradication
- (36) Request for Increased Funding to Drop-In Centres for Food

Social Development and Administration

- (37) \$94.9 Million Impact of provincial cost-sharing shortfall and increasing provincial program cost on the City's 2006 budget

Social Services

- (38) Social Services' Proposed Reduction Option to Achieve 2 percent Target (**Confidential**)
- (39) 2006 Ontario Works Monthly Caseload Projection

Tourism

- (40) Investment by Tourism Toronto in City Tourism Initiatives
- (41) Reallocation of Annual City Investment in Tourism Toronto

Community Partnership and Investment Program

- (42) Appropriateness and Financial Implications of Transferring the Royal Agricultural Winter Fair Funding to Exhibition Place
- (43) Funding for Student Nutrition Programs (Elementary and Youth)
- (44) Juno Beach Centre Association Funding Request
- (45) 2006 Community Partnership and Investment Program Budget Request

Citizen Centred Services “B”

Building Services

- (46) Building Division Resources to Handle Applications
- (47) Integrated Inspections Project

City Planning

- (48) City Planning Resources to Manage Development Applications
- (49) 2006 Operating Budget Green Roofs Promotion Green Development Standards

Clean and Beautiful City Secretariat

- (50) 2006 Proposed Funding for the Clean and Beautiful City Initiative
- (51) Clean and Beautiful City Initiative Annual Review
- (52) Clean and Beautiful City Secretariat – Neighbourhood Beautification Program

Fire Services

- (53) Fee changes for False Alarm Charges and Impact on the Toronto Community Housing Corporation (TCHC)
- (54) Exempting Toronto Community Housing Corporation from Financial Impact of False Alarm by-law change (Confidential)
- (55) Fire Underwriters Survey Commercial Classification for the City of Toronto and Ratings of the 10 Largest Fire Services in Canada (Confidential)
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- (58) Ontario Fire Services Grant
- (59) Potential Cost Savings and Revenue Opportunities Fire/Emergency Medical Services (EMS) (City Options)
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- (61) Potential Improvements to Enforcement of Sign By-law
- (62) Fees for Inspection Services
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- (65) Enforcement of Mandatory Waste Diversion By-law
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- (69) Reductions Options to Achieve 2 percent Target
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- (73) Role of Waterfront Project Secretariat

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- (74) Employee and Labour Relations Budget – Legal Costs
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The Policy and Finance Committee also submits the communication (March 8, 2006) from the Community Services Committee entitled “Withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund and Approval of Six Loans to: Ascot Co-operative Homes Inc.; Atahualpa Co-operative Homes Inc.; Bellamy Housing Co-operative Inc.; Mimico Co-operative Homes Inc.; Scarborough Heights Co-operative Homes Inc.; and Secord Avenue Co-operative Homes Inc. (Wards 2, 6, 31, 36, 38 and 42)”:

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee and the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

Action taken by the Committee:

The Community Services Committee requested the General Manager, Shelter, Support and Housing Administration, to submit a further report directly to City Council on March 29, 2006, on the recommendations concerning the appointment of a receiver or manager for the six housing projects referenced in the report, such report to provide any additional financial information related to this matter.

Background:

The Community Services Committee on March 8, 2006, considered a report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration, requesting approval to allow the General Manager, Shelter, Support and Housing Administration to: (a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund and lend these funds to housing providers or a receiver and manager, if one has been appointed by the City’s social housing Administrator, for required capital repairs at six non-profit co-operative housing projects; (b) negotiate the terms of a loan agreement and collateral security, including a second mortgage and a general assignment of rents or apply for a court order approving the terms and conditions, including those for repayment, of a second mortgage and a general assignment of rents; and (c) apply for the prior written consent of the Minister of Municipal Affairs and Housing as required under the Social Housing Reform Act, 2000.

Recommendations:

It is recommended that:

- (1) authority be given to the General Manager, Shelter, Support and Housing Administration (the “General Manager”) to:
 - (a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund required for capital repairs and lend:

- (i) \$502,000.00 to Ascot Co-operative Homes Inc. at 930 Queen's Plate Drive;
- (ii) \$678,000.00 to Atahualpa Co-operative Homes Inc. at 3 Brimley Road;
- (iii) \$746,000.00 to Bellamy Housing Co-operative Inc. at 130 Bellamy Road North;
- (iv) \$6,680,000.00 to Mimico Co-operative Homes Inc. at 1 Summerhill Road;
- (v) \$3,320,000.00 to Scarborough Heights Co-operative Homes Inc. at 90 Burrows Hall Boulevard; and
- (vi) \$1,487,000.00 to Secord Avenue Co-operative Homes Inc. at 80 Secord Avenue;

or to a receiver and manager for any of these housing projects, if one has been appointed by the City's social housing Administrator;

- (b) for each of the above described housing projects, negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a mortgage and a general assignment of rents; or if the City's social housing Administrator has appointed a receiver and manager for any of these housing projects, to apply for court approval of the terms and conditions, including those for repayment, of a mortgage and a general assignment of rents, subject to the following terms and conditions:
 - (i) each loan will be non-interest bearing and not repayable until the earlier of the date (the "Commencement Date") (1) that the first mortgage is due to mature, or (2) such mortgage is redeemed;
 - (ii) starting on the Commencement Date each loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize each loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;
 - (iii) each interest rate and repayment schedule will be renegotiable, by each housing provider, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form acceptable to the City Solicitor;
 - (c) apply for the consent of the Minister of Municipal Affairs and Housing (the "Minister") required under Section 95(3) of the *Social Housing Reform Act, 2000* ("SHRA") and such other consents and approvals as may be necessary or convenient from other third parties, including lenders;
- (2) the six loans totaling up to \$13,413,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;

- (3) the 2006 budget for Shelter Support and Housing Administration be increased by \$13,413,000.00 gross and \$0 net and be funded by a withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund for required capital expenditures at six non-profit co-operative housing projects;
- (4) the Province be requested to reimburse the City of Toronto for the \$13,413,000.00 needed for capital repairs;
- (5) any reimbursement received from the Province be credited to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion as loans were withdrawn from such Funds; and any repayments of principal and interest on a loan be credited, as they are received, to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion such loan was withdrawn from such Funds;
- (6) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

The following persons addressed the Community Services Committee:

- Linda Thompson, Secord Avenue Co-operative Homes, and filed a written submission; and
- Kim Heffering, President, Board of Directors, and Judith Collins, Scarborough Heights Co-op Homes.

(Report dated February 22, 2006, addressed to the
Community Services Committee from the General Manager, Shelter,
Support and Housing Administration entitled "Withdrawal of \$6,301,200.00
from the Social Housing Federal Reserve Fund and \$7,111,800.00
from the Social Housing Stabilization Reserve Fund and Approval of
Six Loans to: Ascot Co-operative Homes Inc.; Atahualpa Co-operative
Homes Inc.; Bellamy Housing Co-operative Inc.; Mimico Co-operative
Homes Inc.; Scarborough Heights Co-operative Homes Inc.; and
Secord Avenue Co-operative Homes Inc.
(Wards 2, 6, 31, 36, 38 and 42))

Purpose:

To provide approval to the General Manager, Shelter, Support and Housing Administration to:
(a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund and lend these funds to housing providers or a receiver and manager, if one has been appointed by the City's social housing Administrator, for required capital repairs at six non-profit co-operative housing projects; (b) negotiate the terms of

a loan agreement and collateral security, including a second mortgage and a general assignment of rents or apply for a court order approving the terms and conditions, including those for repayment, of a second mortgage and a general assignment of rents; and (c) apply for the prior written consent of the Minister of Municipal Affairs and Housing as required under the Social Housing Reform Act, 2000.

Financial Implications and Impact Statement:

Approval of this report would commit six loans totaling \$13,413,000.00 from the City of Toronto. The loans will be non-interest bearing and not repayable until the earlier of the date (i) that the first mortgage on each property is due to mature; or (ii) such mortgage is redeemed.

Thereafter, the loans will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize the loans over a period of 15 years, subject to the right of each housing provider to prepay the loan without interest or penalty. Each interest rate and repayment schedule will be renegotiable, subject to further Council approval.

Funding for the loans would come from two sources: the obligatory Social Housing Federal Reserve Fund and the discretionary Social Housing Stabilization Reserve Fund. Both funds were established for the purpose of mitigating the financial exposure associated with the devolution of social housing. One of the key functions of both funds is to offset capital reserve shortfalls where there are urgent capital repair needs. The withdrawal policy of the Social Housing Federal Reserve Fund states that if the originating programs are former federally cost-shared programs, then the funds shall be withdrawn from the obligatory and discretionary funds in the proportion of the federal/provincial subsidies received. In the case of three of the six housing providers, these projects were constructed under a federal/provincial social housing program originally cost-shared at a ratio of 60/40 percent. The source of these loans will therefore be both funds and amounts determined based on those ratios. The remaining three housing providers had projects constructed under a former provincial social housing program and will be funded from the Social Housing Stabilization Reserve Fund.

Due to planned withdrawals from the two Reserve Funds, the balance of the Social Housing Federal Reserve Fund is projected to be \$20,163,600.00 and the Social Housing Stabilization Reserve Fund to be \$28,367,700.00 as per the following table:

	Social Housing Stabilization Reserve Fund	Social Housing Federal Reserve Fund	Total
Total contributions as of December 2005	47,620.0	31,235.7	78,855.7
Withdrawals committed and approved by Council - Dec. 05	(11,476.5)	(3,862.9)	(15,339.4)
Withdrawals committed and approved by Council – Jan.06		(1,572.0)	(1,572.0)
Capital Projects in 2006	(7,775.8)	(5,637.2)	(13,413.0)
Estimated Balance in the Reserve	28,367.7	20,163.6	48,531.3

An adjustment is to be made to the 2006 budget for Shelter, Support and Housing Administration to accommodate this withdrawal. In accordance with the requirements of paragraph 227-4 of Chapter 227 (Reserves and Reserve Funds) of the City of Toronto Municipal Code, the Deputy City Manager and Chief Financial Officer has determined that the use of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Funds are appropriate funding sources for these loans.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) authority be given to the General Manager, Shelter, Support and Housing Administration (the “General Manager”) to:
 - (a) withdraw \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund required for capital repairs and lend;
 - (i) \$502,000.00 to Ascot Co-operative Homes Inc. at 930 Queen’s Plate Drive;
 - (ii) \$678,000.00 to Atahualpa Co-operative Homes Inc. at 3 Brimley Road;
 - (iii) \$746,000.00 to Bellamy Housing Co-operative Inc. at 130 Bellamy Road North;
 - (iv) \$6,680,000.00 to Mimico Co-operative Homes Inc. at 1 Summerhill Road;
 - (v) \$3,320,000.00 to Scarborough Heights Co-operative Homes Inc. at 90 Burrows Hall Boulevard; and
 - (vi) \$1,487,000.00 to Secord Avenue Co-operative Homes Inc. at 80 Secord Avenue;

or to a receiver and manager for any of these housing projects, if one has been appointed by the City’s social housing Administrator;
 - (b) for each of the above described housing projects, negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a mortgage and a general assignment of rents; or if the City’s social housing Administrator has appointed a receiver and manager for any of these housing projects, to apply for court approval of the terms and conditions, including those for repayment, of a mortgage and a general assignment of rents, subject to the following terms and conditions:
 - (i) each loan will be non-interest bearing and not repayable until the earlier of the date (the “Commencement Date”) (1) that the first mortgage is due to mature, or (2) such mortgage is redeemed;

- (ii) starting on the Commencement Date each loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize each loan over a period of 15 years, subject to the right of the housing provider to pre-pay its loan at any time without interest or penalty;
 - (iii) each interest rate and repayment schedule will be renegotiable, by each housing provider, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration and in a form acceptable to the City Solicitor;
- (c) apply for the consent of the Minister of Municipal Affairs and Housing (the "Minister") required under Section 95(3) of the *Social Housing Reform Act, 2000* ("SHRA") and such other consents and approvals as may be necessary or convenient from other third parties, including lenders;
- (2) the six loans totaling up to \$13,413,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;
- (3) the 2006 budget for Shelter Support and Housing Administration be increased by \$13,413,000.00 gross and \$0 net and be funded by a withdrawal of \$6,301,200.00 from the Social Housing Federal Reserve Fund and \$7,111,800.00 from the Social Housing Stabilization Reserve Fund for required capital expenditures at six non-profit co-operative housing projects;
- (4) the Province be requested to reimburse the City of Toronto for the \$13,413,000.00 needed for capital repairs;
- (5) any reimbursement received from the Province be credited to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion as loans were withdrawn from such Funds; and any repayments of principal and interest on a loan be credited, as they are received, to the balance of the Social Housing Federal Reserve Fund and the Social Housing Stabilization Reserve Fund in the same proportion such loan was withdrawn from such Funds;
- (6) this report be referred to the Policy and Finance Committee and the Budget Advisory Committee for its consideration; and
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The administration and funding of social housing was transferred to the City under the Social Housing Reform Act, 2000 (SHRA) from the Province of Ontario. The portfolio includes

approximately 235 housing providers in addition to Toronto Community Housing Corporation (TCHC). The City's role includes not only funding, but also ensuring that the buildings are maintained to a level that will provide a safe, decent and affordable home for the households that reside in them.

Over the last six years, a series of Council reports identified that the downloading of the social housing stock to the municipality could be expected to be a significant and increasing financial pressure. In April 2000, a report titled, "Housing Devolution Issues for Provincial Legislation", advised Council that, "Unlike private rental housing, social housing cannot fund capital repairs from retained earnings (because it is non-profit) or rent increases (because the objective is low rents). Major capital repairs are funded from current operating revenues (rentals and subsidies) in the case of public housing and from reserve funds in the case of non-profit housing."

At its meeting of October 3, 4 and 5, 2000, Council was advised that "The Province appears to be refusing to consider or take responsibility for a due diligence process on the condition and capital repair requirements of the public housing stock and the non-profit and co-operative housing portfolio". Similar statements about the financial risks associated with the capital repair liability being downloaded to the municipality were the subject of the Social Housing Business Transfer Plan approved by Council in May 2001 and reiterated in October 2001 when Council considered funding strategies to mitigate social housing devolution risk.

The Social Housing Stabilization Reserve Fund was established by Council at its meeting of October 2001, as a discretionary reserve fund of the City of Toronto for the purpose of mitigating the financial exposure associated with the devolution of social housing. The Social Housing Federal Reserve Fund was established by Council at its meeting of May 2003, as an obligatory reserve fund of the City of Toronto for the purpose of mitigating the financial exposure associated with the devolution of social housing and is to be targeted to projects in formerly federally funded programs, consistent with the 1999 Canada-Ontario "Social Housing Agreement". The key function of both funds is to offset capital reserve shortfalls where there are urgent capital repair needs.

In July 2005, Council was advised of the results of the social housing Building Condition Assessment and Analysis of Capital Reserve Funds Study. The Study indicated that about 13 percent of the portfolio would likely need large capital expenditures in the near future (about 30 housing providers out of 235, excluding Toronto Community Housing Corporation).

Council has already approved six loans to housing providers for urgent capital repairs totaling about \$10 million since the first point of transfer on May 1, 2002. Funds for these loans were taken from the City's two Social Housing Reserve Funds. Council also approved the withdrawal of \$5 million for Toronto Community Housing Corporation to conduct immediate capital repairs at specified buildings located in priority neighbourhoods.

Shelter, Support and Housing Administration has identified six housing projects needing funds from the City of Toronto for urgent capital repairs. This report seeks to withdraw funds from two Social Housing Reserve Funds and to provide loans to the six non-profit co-operative housing providers to conduct needed capital repairs.

Comments:

Prior to the 2002 transfer, Council advised Ministry of Municipal Affairs and Housing of its concerns about the physical and financial condition of the social housing stock. Ministry of Municipal Affairs and Housing's response was to assure Service Managers, including the City of Toronto that it would put "action plans" in place with providers who were experiencing financial difficulties. It does not appear that Ministry of Municipal Affairs and Housing focused their efforts on providers with capital repair needs or the financial cost associated with those needs. In some cases, Ministry of Municipal Affairs and Housing was aware of the physical condition of a housing provider's building prior to transfer but did not provide additional funding to correct deficiencies.

Normally, any capital repair requirements are funded by a housing provider through a Capital Reserve Fund that has been built up by annual allocations from operations. None of the housing providers in this report have sufficient funds in their own Capital Reserve Fund or accumulated surplus to fully fund the identified repairs. They do not have the ability to solve their urgent capital repair needs. These repairs are necessary to address life and safety issues and to ensure that the buildings do not deteriorate further. It is therefore recommended that funds from the City's two Social Housing Reserve Funds be loaned to the housing providers to complete urgent capital repairs.

All of the housing co-operatives named in this report are suffering operational difficulties and are in breach of their obligations under the SHRA. Five of the six housing co-operatives have been served with formal notices of triggering events under the SHRA, specifying the activities that a housing provider must carry out or refrain from carrying out or the course of action that a housing provider must take or refrain from taking in order to cure the situation that gave rise to the triggering event. A notice of a triggering event(s) may be issued to a housing provider when, among other items identified in the SHRA, one or more of the following events has occurred:

- (a) the housing provider contravenes the Act or the regulations;
- (b) the housing provider incurs an expenditure that is material and excessive, having regard to the normal practices of similar housing providers;
- (c) the housing provider incurs an accumulated deficit that is material and excessive, having regard to the normal practices of similar housing providers; and
- (d) the housing provider has failed to operate the housing project properly, having regard to the normal practices of similar housing providers.

Due to these legislative requirements and the circumstances of each co-operative, it may be necessary for the City's Administrator under the SHRA to appoint a receiver and manager over one or more of the co-operatives' assets in order to protect the City's interests. If a receiver and manager is appointed prior to advance of an approved loan for any of the housing providers named in this report, such loan will be paid to the receiver and manager. The terms and conditions of any such loan will be subject to court approval and the court's order will be registered against the housing provider's title to the housing project.

At its meeting held on July 22, 23, and 24, 2003, Council appointed the Commissioner of Community and Neighbourhood Services as the City's Administrator under the SHRA, authorized to perform the duties and exercise the powers of the City as Service Manager. One of the powers of the Service Manager delegated to the Administrator is the power to exercise the remedies available under the SHRA, including the appointment of a receiver and manager.

Pursuant to Chapter 169 of the City of Toronto Municipal Code, the General Manager of Shelter, Support and Housing Administration is authorized to exercise the authority of the former Commissioner of Community and Neighbourhood Services, as the City's SHRA Administrator.

City staff are recommending that the principal and interest loan repayments for all six housing providers be deferred until the providers' first mortgages have matured. The first mortgages mature between 2023 and 2028. Deferring repayment helps to ensure the financial viability of the housing providers, allowing them to continue to provide affordable housing as per the terms of the operating framework of the *Social Housing Reform Act, 2000*.

Housing providers are prohibited under the Social Housing Reform Act, 2000 from mortgaging their property without the prior written approval of the Minister of Municipal Affairs and Housing. The Minister's guidelines require Service Managers to apply for such consent on behalf of each housing provider. A request will be submitted by the City after Council approvals have been obtained.

City funding will only be advanced to each housing provider as milestones are achieved and unused funds will be returned to the City as per the terms of the loan agreement. Work will begin as soon as the necessary approvals are obtained.

The specifics of each housing provider and recommended loan are outlined in the Appendices to the report.

All six housing providers currently needing financial assistance from the City are non-profit housing co-operatives. Co-operative housing is different from other non-profit social housing in that it is member controlled. People who live in a co-operative are members of the co-op, not tenants. Members are responsible for running the co-operative.

The Social Housing Business Transfer Plan approved by Council at its May 2001, meeting included a monitoring plan for social housing providers. One component of regular monitoring of social housing providers is the operational review. This review is an important tool used by staff to review the administrative and governance practices to ensure that housing providers are complying with program rules and to advise them on possible improvements to their business practices. Operational reviews have been conducted on most social housing providers under the City's administration since the point of transfer in May 2002.

City staff conducting operational reviews have consistently found that the governance skills and principles used by volunteer boards need to be improved. These boards need assistance in learning relevant governance skills and implementing appropriate management systems that will enable them to manage multi-unit residential properties.

Historically, much management and board effort at social housing providers has been devoted to the needs of the residents, particularly related to rent geared-to-income assistance. Without discounting the need to ensure that the rent geared-to-income assistance system is meeting the needs of social housing residents, it is clear that increased emphasis needs to be placed on building maintenance and repair. The need to improve governance skills is also evident across the City's entire social housing portfolio.

The Social Housing Unit staff flag housing providers for increased monitoring when information comes to their attention indicating that a housing provider is experiencing some type of operational difficulty. At this stage written direction is given to the housing provider outlining the City's concerns and requesting appropriate action to resolve the issue. If the housing provider does not resolve the issue a formal notice under the applicable legislation or contract is issued and monitoring is increased. If the housing provider still does not resolve the issues the City's Social Housing Administrator may apply the remedies available under the SHRA. These remedies include the ability to appoint, or to seek a court order appointing, a receiver and manager to operate the housing project in accordance with the requirements of the SHRA. This escalating system of monitoring activity and remedial action is intended to protect the City's interests while allowing housing providers a reasonable period of time to correct their deficiencies.

Discussions and briefings with representatives of the Co-operative Housing Federation of Toronto (CHFT) and the Co-operative Housing Federation of Canada (Ontario Region) have been held about the six projects that are the subject of this report. CHFT is a non-profit co-operative financed by membership fees from housing co-operatives. CHFT provides advice to co-op boards, committees, members, and staff. These discussions will continue with a focus on identifying the challenges faced by housing co-operative boards generally and possible actions that can be taken to address these challenges.

In addition to the co-operative specific discussions with CHFT, staff continue to work on development of additional training and education materials that will provide broad application across the entire non-profit housing sector. City staff continue to work with other groups including the Service Managers' Housing Network, the Ontario Non-Profit Housing Association and the Social Housing Services Corporation to identify ways to improve non-profit housing governance and management.

Conclusions:

Council approval is required to withdraw \$6,301,200.00 from the obligatory Social Housing Federal Reserve Fund and \$7,111,800.00 from the discretionary Social Housing Stabilization Reserve Fund to conduct urgently needed repairs to the buildings at six social housing projects owned by non-profit co-operative housing providers.

The 2006 budget for Shelter, Support and Housing Administration will need to be increased by \$13,413,000.00 gross and \$0 net.

Given the governance, financial and technical issues identified at these projects after the point of transfer, it is recommended that the Province be requested to reimburse the City for the \$13,413,000.00 for capital repairs needed at six non-profit co-operative housing projects.

The City should approve these loans, as it will allow the providers or the receiver and managers to address the urgently needed repairs to the building and ensure the continued health and safety of the tenants. Ministerial approval of the second mortgages is required pursuant to Section 95(3) of the *Social Housing Reform Act, 2000*. The City will submit a request to the Minister of Municipal Affairs and Housing to seek approval for the second mortgages.

Work will begin as soon as necessary approvals are obtained.

Contact:

Kathleen Blinkhorn, Director, Social Housing,
Tel: 416-392-0054/Fax: 416-338-8228;
e-mail: kblinkh@toronto.ca

List of Attachments:

Appendix A – Ascot Co-operative Homes Inc.
Appendix B – Atahualpa Co-operative Homes Inc.
Appendix C – Bellamy Housing Co-operative Inc.
Appendix D – Mimico Co-operative Homes Inc.
Appendix E – Scarborough Heights Co-operative Homes Inc.
Appendix F – Secord Avenue Co-operative Homes Inc.

Appendix A

Housing Provider:	Ascot Co-operative Homes Inc.
Address:	930 Queen's Plate Drive
Ward:	2 – Etobicoke North
Nearest Intersection:	Highway 27 North and Rexdale Boulevard
Operating since:	1993
Total units:	132
RGI units:	approximately 97
Annual subsidy:	\$1,150,000.00
Date of Transfer to City:	May 1, 2002

Background:

Ascot Co-operative Homes Inc. (Ascot) is party to a Joint Facilities Agreement with Toronto Community Housing Corporation (TCHC), the owner of two buildings (900 and 910 Queen's Plate Drive) located on the same footprint of land. Ascot and TCHC share an underground parking garage, community centre, playground and surface roadways. Ascot is responsible for 39 percent of the cost of any repairs and the remainder is paid by TCHC.

Ascot and TCHC commissioned a Capital Reserve Fund study for the shared facilities in late 2005. The study identified serious water penetration issues affecting the integrity of the underground parking garage. Other areas needing priority repairs are the playground, the garage intercom/security system, the community centre and exterior fencing. A lighting retrofit is also planned to reduce hydro costs.

The accompanying chart outlines Ascot's share of the required repairs to the shared facilities, which is estimated to be about \$600,000.00. Ascot will be contributing \$100,000.00 from its Capital Reserve Fund towards the cost of these repairs. It does not have sufficient funds to cover its full share of the costs. It has recently undertaken capital repair work within its own building as identified in its Capital Reserve Fund Study. This work will reduce Ascot's Capital Reserve Fund to a minimal amount. It is therefore recommended that the City loan \$502,000.00 to Ascot to fund the repairs identified in the accompanying chart.

Ascot has recently hired technical consultants to investigate potential structural issues with the building envelope. There may be a need for additional funding from the City to address these issues. If so, another report to Council will be submitted.

Capital Repairs Needed by
Ascot Co-operative Homes Inc.

Repair Needed	Estimated Cost (\$)
Parking Garage and Ramp	352,000
Community Centre finishes	2,000
Intercom and Garage Access System	34,000
Playground surface and equipment	38,000
Lighting Retrofits and CO2 system	48,000
Mechanical and Reserve Study	2,000
Fencing Repair	8,000
Professional Fees	9,000
Sub-Total	493,000
GST (7 percent rounded)	35,000
Contingency (15 percent rounded)	74,000
Total Capital Repair Cost	602,000
Contribution from Housing Provider	(100,000)
Loan Required from City	502,000

Ascot was constructed under a former Federal/Provincial housing program originally cost-shared at a ratio of 60/40 percent. The source of Ascot's loan will therefore be as follows: \$301,200.00 from the Social Housing Federal Reserve Fund and \$200,800.00 from the Social Housing Stabilization Reserve Fund.

Appendix B

Housing Provider:	Atahualpa Co-operative Homes Inc.
Address:	3 Brimley Road
Ward:	36 – Scarborough Southwest
Nearest Intersection:	Kingston Road and Brimley Road
Operating since:	1992
Total units:	79
RGI units:	approximately 59
Annual subsidy:	\$730,000.00
Date of Transfer to City:	December 1, 2002

Background:

When Atahualpa was transferred to the City it was in poor financial condition. It had an accumulated deficit of \$34,379.00. Capital reserve funds had been used to fund operating losses reducing its Capital Reserve Fund to \$90,558.00.

The Ministry of Municipal Affairs and Housing was aware that significant capital repair issues existed at Atahualpa. In 1998 the Ministry loaned \$200,000.00 to Atahualpa to fund the repair of water penetration problems.

In 2002 technical consultants recommended that the exterior walls be repaired through the application of a water repellant surface to correct damage that had occurred as a result of continuing water penetration through hidden cracks in the exterior stucco. The Ministry of Municipal Affairs and Housing did not provide the funding needed to complete this work. Water penetration and the resulting damage to interior finishes and growth of mould and mildew continue to be a problem. Emergency repairs have been conducted at the most severe leakage locations.

A technical study was completed in late 2005. The technical consultants are again recommending the same scope of work that had been recommended in 2002; the application of an exterior water repellant surface. Other major repairs recommended include balcony repairs, roofing repairs, elevator repairs and replacement of all in-suite exhaust fans.

The accompanying chart outlines the repairs required. Atahualpa does not have the financial resources to complete these repairs. Atahualpa is subject to an “action plan” that it agreed to with the Ministry of Municipal Affairs and Housing. The ongoing water penetration issues have hindered the provider’s ability to carry out the financial strategy identified in the action plan. As a result, Atahualpa’s financial condition has worsened since it was transferred to the City. Atahualpa’s accumulated deficit has increased to \$64,608.00 and cash in its Capital Reserve Fund has decreased to \$55,598.00. It is therefore recommended that the City loan \$678,000.00 to Atahualpa to fund the repairs identified in this report.

Capital Repairs Needed by Atahualpa Co-operative Homes Inc.

Repair Needed	Estimated Cost (\$)
Roof replacement	200,000
Exterior Insulated Finishing System	120,000
Balconies	100,000
Playground	10,000
General Building repairs	55,000
In Suite Exhaust fans	15,000
Elevator system	15,000
Engineering Fees (12 percent rounded)	36,000
Professional Fees	5,000
Sub-Total	556,000
GST (7 percent rounded)	39,000
Contingency (15 percent rounded)	83,000
Total	678,000

Atahualpa was built under a former Provincial housing program. The loan will therefore be funded 100 percent from the Social Housing Stabilization Reserve Fund.

Appendix C

Housing Provider: Bellamy Housing Co-operative Inc.
 Address: 130 Bellamy Road North
 Ward: 38 – Scarborough Centre
 Nearest Intersection: Eglinton Avenue East and McCowan Road
 Operating since: 1992
 Total units: 69
 RGI units: approximately 51
 Annual subsidy: \$362,000.00
 Date of Transfer to City: May 1, 2002

Background:

The building at 130 Bellamy Road North was originally built circa 1965 as rental housing. It was acquired, rehabilitated and turned into a co-operative by Bellamy Co-operative Homes Inc. (Bellamy) in 1992. Some rehabilitation was undertaken after the building was acquired.

Because the building was constructed in 1965 a number of building components are reaching the end of their useful life. In November 2005, Bellamy engaged a technical consultant to prepare a building condition assessment. The consultant's report identified that a number of building components require major repair or replacement including the heating distribution system, elevators, concrete and asphalt surfaces, balconies, exterior stucco and the roof.

The accompanying chart outlines the cost of Bellamy's required repairs. Bellamy does not have the financial resources to complete these repairs; it has an accumulated deficit of \$74,381.00 and has \$231,449.00 in its Capital Reserve Fund. Bellamy will contribute \$100,000.00 from its Capital Reserve Fund towards the cost of the repairs identified in this report. In addition, Bellamy will be carrying out other capital repair work identified by their technical consultant that will reduce their Capital Reserve Fund to a minimal amount. It is therefore recommended that the City loan \$746,000.00 to Bellamy to fund the repairs identified in this report.

Capital Repairs Needed by
Bellamy Housing Co-operative Inc.

Repair Needed	Estimated Cost (\$)
Heating Distribution System	200,000
Roof replacement	181,000
Concrete repairs including balconies	114,000
Elevator repairs	50,000
Exterior stucco repairs and caulking	69,000
Engineering Fees (12 percent rounded)	74,000
Professional Fees	5,000
Sub-Total	693,000
GST (7 percent rounded)	49,000
Contingency (15 percent rounded)	104,000
Total	846,000
Contribution from Housing Provider	(100,000)
Loan Required from City	746,000

Bellamy was built under a former Provincial housing program. The loan will therefore be funded 100 percent from the Social Housing Stabilization Reserve Fund.

Appendix D

Housing Provider:	Mimico Co-operative Homes Inc.
Address:	1 Summerhill Road
Ward:	6 – Etobicoke Lakeshore
Nearest Intersection:	Lakeshore Blvd. West and Mimico Avenue
Operating since:	1988

Total units:	172 including 19 townhouses
RGI units:	approximately 85
Annual subsidy:	\$314,000.00
Date of Transfer to City:	April 1, 2005

Background:

Mimico Co-operative Homes Inc. (Mimico) was transferred to the City on April 1, 2005, almost three years after most social housing projects were transferred. It was the expectation of City staff that during this delay Ministry of Municipal Affairs and Housing staff were working to resolve the technical and financial issues facing Mimico.

Mimico has experienced water penetration issues since it was constructed. Technical reports from 1989 blamed the water leakage issue on the lack of a continuous vapour barrier throughout the building envelope and identified faulty workmanship as the primary cause. The Ministry of Municipal Affairs and Housing provided about \$1,000,000.00 to fund remedial repairs.

At some later point Mimico and the Ministry became aware that there were more problems with the building envelope. It was discovered that the brick ties, which ensure that the exterior brick work remains in place, were missing from many locations. As a result there is the possibility that bricks could detach from the wall and fall to the ground.

In 1999 and 2002 the Ministry made two loan advances to Mimico to repair the exterior walls, including ensuring the brick ties were in place. These loans, totaling \$3,298,974.00, allowed Mimico to repair the building's south and east exterior walls. Mimico contributed \$600,000.00 from their Capital Reserve Fund towards the cost of these repairs.

Mimico continued to request additional funding from the Ministry to carry out repairs to the north and west exterior walls. The Ministry did not act on Mimico's request until shortly before Mimico was transferred to the City on April 1, 2005. The Ministry provided Mimico with funding to carry out destructive testing on the north and west exterior walls.

The destructive testing confirmed that the required brick ties were not in place on these walls. The technical consultants engaged by Mimico estimate that repairs to the north and west walls will cost in excess of \$3,300,000.00 plus engineering fees and taxes. The technical consultants have also identified other significant repairs required including repairs to the townhouse roofs, elevator modernization, replacement of leaking plumbing risers and renewal of the waterproofing on the parking garage roof slab.

The accompanying chart outlines the cost of Mimico's required repairs. Mimico does not have the financial resources to cover the cost of the needed repairs. It is therefore recommended that the City loan Mimico \$6,680,000.00 to fund the capital repairs outlined in the accompanying chart.

Capital Repairs Needed by
Mimico Co-operative Homes Inc.

Repair Needed	Estimated Cost (\$)
Exterior Cladding	3,310,000
Parking Garage	470,000
Roofing	60,000
Mechanical Systems	445,000
Electrical Systems	135,000
Elevator	250,000
Exterior Site Features	50,000
Engineering Fees (12 percent rounded)	566,000
Professional Fees	190,000
Sub-Total	5,476,000
GST (7 percent rounded)	383,000
Contingency (15 percent rounded)	821,000
Total	6,680,000

Mimico was constructed under a former Federal/Provincial housing program originally cost shared at a ratio of 60/40 percent. The source of Mimico's loan will therefore be as follows: \$4,008,000.00 from the Social Housing Federal Reserve Fund and \$2,672,000.00 from the Social Housing Stabilization Reserve Fund.

Appendix E

Housing Provider: Scarborough Heights Co-operative Homes Inc.
 Address: 90 Burrows Hall Blvd.
 Ward: 42 – Scarborough Rouge River
 Nearest Intersection: Sheppard Avenue East and Markham Road
 Operating since: 1989
 Total units: 108
 RGI units: approximately 70
 Annual subsidy: \$861,000.00
 Date of Transfer to City: May 1, 2002

Background:

Scarborough Heights Co-operative Homes Inc. (Scarborough Heights) was transferred to the City on May 1, 2002. It is located in the Malvern priority neighbourhood.

In 1996 the Ministry conducted a technical review of Scarborough Heights and identified problems with water penetration, defective window seals and deteriorating balconies. It appears that the Ministry did not follow up to ensure that these issues were addressed. All of these building components continued to deteriorate and now the extent of the repairs required has increased greatly.

After Scarborough Heights was transferred to the City in 2002, City staff became concerned about its operations and financial condition. Due to these concerns City staff asked Scarborough Heights to engage a qualified technical consultant to complete a building condition assessment. Scarborough Heights delayed the completion of this report until October 2005.

The building condition assessment report identified serious deficiencies in the integrity of the underground parking garage and a number of other issues that should be addressed immediately. The consultant also reported that the building has deteriorated prematurely, especially components of the exterior building envelope and grounds.

The accompanying chart outlines the cost of Scarborough Heights' required repairs. Scarborough Heights does not have the financial resources to complete these repairs; it has an accumulated deficit of \$82,069.00 and has \$252,332,00.00 in its Capital Reserve Fund. Scarborough Heights will contribute \$150,000.00 from its Capital Reserve Fund towards the cost of the repairs identified in this report. In addition, Scarborough Heights will be carrying out other capital repair work identified by their technical consultant that will reduce their Capital Reserve Fund to a minimal amount. It is therefore recommended that the City loan \$3,320,000.00 to Scarborough Heights to fund the repairs identified in this report.

Capital Repairs Needed by
Scarborough Heights Co-operative Homes Inc.

Repair Needed	Estimated Cost (\$)
Building Envelope	712,000
Main Flat Roof	191,000
Balconies and Railings	290,000
Window Replacement	245,000
Garage Structure	1,184,000
Hot water circulation	25,000
Professional Fees	53,000
Engineering Fees (15 percent rounded)	398,000
Sub-Total	3,098,000
GST (7 percent rounded)	217,000
5 percent contingency (rounded)	155,000
Total	3,470,000
Contribution from Housing Provider	(150,000)
Loan Required from City	3,320,000

Scarborough Heights was constructed under a former Federal/Provincial housing program originally cost-shared at a ratio of 60/40 percent. The source of Scarborough Height's loan will therefore be as follows: \$1,992,000.00 from the Social Housing Federal Reserve Fund and \$1,328,000.00 from the Social Housing Stabilization Reserve Fund.

Appendix F

Housing Provider:	Secord Avenue Co-operative Homes Inc.
Address:	80 Secord Avenue
Ward:	31 – Beaches-East York
Nearest Intersection:	Dawes Road and Danforth Avenue
Operating since:	1993
Total units:	58
RGI units:	approximately 37
Annual subsidy:	\$643,000.00
Date of Transfer to City:	May 1, 2002

Background:

Secord Avenue Co-operative Homes Inc. (Secord) was transferred to the City on May 1, 2002. It is located in the Crescent Town priority neighbourhood.

The Ministry of Municipal Affairs and Housing was aware that outstanding building deficiencies identified in 1994 had not been corrected prior to transfer. The cost to correct the deficiencies was estimated at \$458,000.00 in 1994. Litigation related to the deficiencies was settled in 2004 with Secord receiving \$250,000.00. The funds received were not enough to correct the deficiencies.

Secord engaged a consultant to complete a building condition assessment in September 2005. The consultant reported that a number of building components have deteriorated including the deficiencies originally identified in 1994. In addition, the consultant reported day to day maintenance appeared to be lacking, which has accelerated the deterioration.

The accompanying chart outlines the cost of Secord's required repairs. Secord does not have the financial resources to complete these repairs; it has an accumulated deficit of \$184,237.00 and only \$102,167.00 in its Capital Reserve Fund. It is therefore recommended that the City loan \$1,487,000.00 to Secord to fund the repairs identified in this report.

Secord will be hiring technical consultants to investigate further water damage and mould within the interior of the buildings. There may be a need for additional funding from the City to address these issues. If so, another report to Council will be submitted.

Capital Repairs Needed by
Secord Avenue Co-operative Homes Inc.

Repair Needed	Estimated Cost (\$)
Domestic Water Supply System	100,000
Building envelope	372,000
Exterior Site	102,000
Fire and Life safety systems	268,000
Parking Garage	39,000
Roofing	58,000
Interior suite	103,000
Engineering Fees (15 percent rounded)	156,000
Professional Fees	21,000
Sub-Total	1,219,000
GST (7 percent rounded)	85,000
Contingency (15 percent rounded)	183,000
Total	1,487,000

Secord was built under a former Provincial housing program. The loan will therefore be funded 100 percent from the Social Housing Stabilization Reserve Fund.

The Policy and Finance Committee also submits the communication (March 8, 2006) from the Community Services Committee entitled “2006 One-Time Funding Increase to City of Toronto Homeless Initiatives Fund, Off the Streets into Shelter Fund and Supports to Daily Living Fund, and Proposed Allocations and Update on 2005 One time Allocations”:

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration.

Background:

The Community Services Committee on March 8, 2006, considered a report (February 22, 2006) from the General Manager, Shelter, Support and Housing Administration, providing an update on the 2005 one-time allocations of the City of Toronto Homeless Initiatives Fund and Off the Streets Into Shelter Fund, as requested by Council at its meeting on October 26, 27, 28 and 31, 2005; informing the Community Services Committee of the receipt of an additional \$2.900 million in 2006 one-time funding from the Ministry of Community and Social Services and recommending amendments to the 2006 Budget Advisory Committee Recommended operating budgets to receive this funding; and recommending 2006 one-time allocations to community agencies, City managed shelters and other specific initiatives and funding enhancements related to the provision of homelessness services.

Recommendations:

It is recommended that:

- (1) City Council receive a total one-time funding increase of \$2.900 million gross and \$0 net from the Ministry of Community and Social Services for homelessness programs by increasing the Community Partnership and Investment Program, Housing envelope for the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Shelter, Housing and Support Program, Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net, as shown in the Financial Implications section of this report;
- (2) the General Manager of Shelter, Support and Housing Administration be authorized to enter into agreements with community agencies and consultants, and to make purchases as required, to implement specific homelessness initiatives that total \$1,956,500.00 gross and \$0 net by allocating one-time funds up to \$1,841,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund and up to \$115,000.00 gross and \$0 net from the Off the Street Into Shelter budget, as set out in Appendix C;
- (3) the General Manager of Shelter, Support and Housing Administration be authorized to provide one-time funding enhancements that total \$559,068.80 gross and \$0 net to community agencies which were approved for 2006 funding by Council at its meeting of December 5, 6 and 7, 2005, as set out in Appendix D. These one-time enhancements include \$187,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for drop-in services, \$179,068.80 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for housing help services outside of shelters, \$100,000.00 gross and \$0 net from the Off the Street Into Shelter for street outreach services, and \$92,500.00 gross and \$0 net from the Support to Daily Living budget for housing supports in alternative housing;
- (4) City Council enhance City administration funding by a total of \$184,000.00 gross and \$0 net by increasing the administration expenditures of the City of Toronto Homeless Initiatives Fund by \$30,000.00 gross and \$0 net, and the administration expenditures of the Off the Streets Into Shelter budget by \$154,000.00 gross and \$0 net; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Councillor Joe Mihevc, St. Paul's, declared an Interest in this matter as his spouse works with East York Family Resource Centre, an organization that is receiving funding.

(Report dated February 22, 2006, addressed to the
Community Services Committee from the
General Manager, Shelter, Support and Housing Administration
entitled “2006 One-Time Funding Increase to City of Toronto
Homeless Initiatives Fund, Off the Streets into Shelter Fund and
Supports to Daily Living Fund, and Proposed Allocations and
Update on 2005 One time Allocations)

Purpose:

The purpose of this report is to provide an update on the 2005 one-time allocations of the City of Toronto Homeless Initiatives Fund and Off the Streets into Shelter Fund, as requested by Council at its meeting on October 26, 27, 28 and 31, 2005.

This report also informs Community Services Committee of the receipt of an additional \$2.900 million in 2006 one-time funding from the Ministry of Community and Social Services and recommends amendments to the 2006 Budget Advisory Committee Recommended operating budgets to receive this funding and recommends 2006 one-time allocations to community agencies, City managed shelters and other specific initiatives and funding enhancements related to the provision of homelessness services.

Financial Implications and Impact Statement:

The details of the 2005 allocations, as requested by Council, is outlined in Appendix A.

Funding allocations for the 2006 City of Toronto Homeless Initiatives Fund (CT-HIF), Off the Streets into Shelters program (OSIS) and the Supports to Daily Living program (SDL) were approved by Council on December 5, 6 and 7, 2005, and included in the 2006 Budget Advisory Committee (BAC) recommended operating budgets. CT-HIF funding is included in the Community Partnership and Investment Programs (CPIP) budget. OSIS and SDL funding are included in the Shelter, Support and Housing Administration (SSHA) operating budget.

The Ministry of Community and Social Services (MCSS) recently advised that new funding of \$2.900 million gross and \$0 net is available on a one-time basis for homelessness programs, provided such funds are allocated before the end of 2006. The following table shows the 2006 CT-HIF, OSIS and SDL budgets recommended by BAC, new one-time MCSS funding, and proposed revisions to the budgets. As well, it shows Council approved or pending allocations to-date, new one-time allocations recommended in this report and the resulting total allocations.

(\$ thousands)		City of Toronto Homeless Initiatives Fund		Off the Streets Into Shelter		Supports to Daily Living		Total	
		Gross	Net	Gross	Net	Gross	Net	Gross	Net
Budget									
	2006 Budget Rec'd to BAC	7,406.9	2,483.9	1,217.5	0.0	3,725.2	0.0	12,349.6	2,483.9
	New One-time MCSS Funding	2,438.5	0.0	369.0	0.0	92.5	0.0	2,900.0	0.0
	2006 Revised Budget	9,845.4	2,483.9	1,586.5	0.0	3,817.7	0.0	15,249.6	2,483.9
Allocations									
	Allocations To Date	7,513.1	2,483.9	1,217.5	0.0	3,725.2	0.0	12,455.8	2,483.9
	New One-time Allocations:								
	Specific Initiatives (Appendix C)	1,841.5	0.0	115.0	0.0	0.0	0.0	1,956.5	0.0
	Funding Enhancements (Appendix D)	366.6	0.0	100.0	0.0	92.5	0.0	559.1	0.0
	Administration	30.0	0.0	154.0	0.0	0.0	0.0	184.0	0.0
	Subtotal New One-time Allocations (Appendix B)	2,238.1	0.0	369.0	0.0	92.5	0.0	2,699.6	0.0
	Total Allocations	9,751.2	2,483.9	1,586.5	0.0	3,817.7	0.0	15,155.4	2,483.9

This report recommends new one-time allocations which total \$2,699,568.80 and \$0 net, and are comprised of \$1,956,500.00 for specific initiatives, \$559,068.80 for one-time funding enhancements to community agencies, and \$184,000.00 for administration costs, as set out in Appendices.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) City Council receive a total one-time funding increase of \$2.900 million gross and \$0 net from the Ministry of Community and Social Services for homelessness programs by increasing the Community Partnership and Investment Program, Housing envelope for the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Shelter, Housing and Support Program, Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net, as shown in the Financial Implications section of this report;

- (2) the General Manager of Shelter, Housing and Support be authorized to enter into agreements with community agencies and consultants, and to make purchases as required, to implement specific homelessness initiatives that total \$1,956,500.00 gross and \$0 net by allocating one-time funds up to \$1,841,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund and up to \$115,000.00 gross and \$0 net from the Off the Street Into Shelter budget, as set out in Appendix C;
- (3) the General Manager of Shelter, Housing and Support be authorized to provide one-time funding enhancements that total \$559,068.80 gross and \$0 net to community agencies which were approved for 2006 funding by Council at its meeting of December 5, 6 and 7, 2005, as set out in Appendix D. These one-time enhancements include \$187,500.00 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for drop-in services, \$179,068.80 gross and \$0 net from the City of Toronto Homeless Initiatives Fund for housing help services outside of shelters, \$100,000.00 gross and \$0 net from the Off the Street Into Shelter for street outreach services, and \$92,500.00 gross and \$0 net from the Support to Daily Living budget for housing supports in alternative housing;
- (4) City Council enhance City administration funding by a total of \$184,000.00 gross and \$0 net by increasing the administration expenditures of the City of Toronto Homeless Initiatives Fund by \$30,000.00 gross and \$0 net, and the administration expenditures of the Off the Streets Into Shelter budget by \$154,000.00 gross and \$0 net; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The City of Toronto funds a wide range of projects to help people who are homeless or at risk of losing their homes to find and keep housing, primarily through the provision of partnership funding to community agencies. The key partnership sectors are street outreach services, drop-in centres, and housing help services including Supports to Daily Living. Street outreach workers help people who are living outside to access shelters, housing, drop-in centres, and other services they may require. Most drop-in centres provide food, laundry and showers, as well as additional supports such as help to find housing and access shelters. There are a wide range of services provided within the housing help and eviction prevention sector, ranging from full service centres that help people find housing, apply for social housing, and access financial supports including the City of Toronto Rent Bank, to projects that provide mediation services, to projects that provide follow-up services. Follow-up services provide ongoing supports that an individual may need to help them stabilize in their housing. The Supports to Daily Living program funds housing providers so that they can provide on-site services to tenants who require a greater level of follow-up support to retain their housing.

These projects are funded through a number of different programs, and sometimes more than one program. Drop-in centres are funded through the City of Toronto Homeless Initiatives Fund (CT-HIF), housing supports in alternative housing are funded through the Supports to Daily Living program (SDL), housing help projects, which include the Rent Bank and housing help centers, are funded by CT-HIF and through another program not addressed in this report, and street outreach services are funded through CT-HIF and the Off the Streets and Into Shelters

program (OSIS). Every year Council approves annual funding for these partnership projects, which are generally funded on an ongoing basis. Council approved funding for the 2006 partnership projects and Supports to Daily Living projects at its meeting of December 5, 6 and 7, 2005, City Council (Policy and Finance Committee Report No.10, Clause Nos. 29 and 30).

In 2005, additional funds were made available on a one-time basis by the Ministry of Community and Social Services (MCSS). At its meeting of October 26, 27, 28 and 31, 2005, Council approved allocations for the remaining 2005 CT-HIF and OSIS funds for 11 initiatives (Community Services Committee, Report 8, Clause 9, “One-Time Allocations of 2005 City of Toronto Homeless Initiatives Fund and Off the Streets Into Shelter Funds”). Council also requested that the General Manager, Shelter, Support and Housing Administration “provide a report to Community Services Committee early in the new year about the funded initiatives.” This report responds to that request.

On January 30, 2006, MCSS confirmed that it has approved an additional \$2.9 million in provincial subsidy for use on a one-time basis within 2006. These funds became available due to the 2005 re-alignment of the funding cycle of two homelessness programs (as described in the October 2005 report), and are therefore available only on a one-time basis and must be allocated before the end of 2006.

Comments:

Approved 2005 One-time Allocations:

Eleven initiatives were implemented as a result of the 2005 one-time allocations of CT-HIF and OSIS funds in the final quarter of 2005. In total, \$2,935,565.00 from CT-HIF and \$664,500.00 from OSIS were allocated to 53 community agencies and the City for 92 different projects.

Despite very short timelines, the processes used to allocate the funds were consistent with standards, and ensured that quality programming and value for money were achieved in all cases. A competitive Request for Proposals (RFP) process was used to identify funding recipients for six different projects. Three proven projects originally selected through a competitive RFP process were renewed. Funding was also made available for specific purchases that responded to public health issues in shelters and Out of the Cold sites, and to strengthen existing programs (e.g. replacement vans for street outreach, job training tuition fees for homeless individuals). Where purchases were made, maximum funding levels were established or cost estimates were reviewed to ensure prices were at competitive levels.

Appendix A sets out the funding recipient(s) and amount allocated for each initiative. In addition, a brief description is provided for each initiative.

New 2006 One-time Allocations:

This section outlines recommended one-time allocations for 2006. These allocations total \$2,699,568.80 and \$0 net, and are comprised of \$1,956,500.00 for 14 specific initiatives (sections 1.0 to 4.0), \$559,068.80 for one-time funding enhancements to 75 community agencies (section 5.0), and \$184,000.00 for administration costs (“Administration” section). A complete

list of the allocation amounts for the allocations recommended in this report is contained in Appendix B, with more detail given in Appendices C and D.

1. Shelter Services:

1.1 Shelter Bed Replacement Program, Phase 2:

Prevention of bed bugs infestations continues to be important to the Toronto shelter system. Bed bugs can live in mattresses and hide in bed frames and are difficult to eradicate. While infected mattresses and bed frames can be cleaned, it is a labour-intensive process with mixed results. Greater effect can be achieved by replacing beds/mattresses with those that are more bed bug resistant. In 2005, mattresses and bed frames of beds that were infested or at risk of infestation were replaced in purchased service shelters (Phase 1). A total of 1,256 beds, 238 bunk beds, 1,887 mattresses and five cribs (62 percent of all beds and 67 percent of mattresses in the system) were funded for replacement.

For 2006, it is recommended that \$500,000.00 from CT-HIF be allocated to purchase replacement bed frames and mattresses for the six City-managed facilities. There are currently 940 beds in the City-managed shelters targeted for this funding. It is expected that over one-half of the beds and/or mattresses will be replaced as a result of this initiative.

1.2 Shelter Standards and Quality Assurance:

All shelters in the City of Toronto are required to comply with the Toronto Shelter Standards as a condition of funding. One function of the Shelter Standards is to facilitate transparency in shelter operations and provide clarity about what clients can expect when they use a shelter facility. Currently the Shelter Standards are only available in English, and therefore not accessible to clients unable to read English. Approximately \$50,000.00 of the total amount would be used to translate the Shelter Standards into languages other than English. The languages and the number of translations required will be determined in consultation with shelters and based upon a review of client profiles.

Adherence to the Shelter Standards is assessed through a three phase Quality Assurance process. The Quality Assurance process is currently in the second phase. This phase focuses on a review of specific policies and practices and a survey of users of the service.

Approximately \$70,000.00 would be used to fund a survey of clients and former clients of hostel services. This survey is a required component of the Quality Assurance process, and will focus on the impacts of specific policies and procedures. Through one-on-one interviews and focus groups, the survey will assess, from the client perspective, the types and quality of services received. This survey will complement but be more extensive than the Street Needs Assessment and will focus on service delivery as opposed to client service needs and characteristics.

Additionally, \$50,000.00 would be used to support the development of resource materials related to the policies and procedures governing access and discharge, complaints and service restrictions at shelters. This project will be undertaken by the Hostel Training Centre in partnership with Hostel Services. Sample policies will be developed and tested, and a training curriculum will be developed to be used on an ongoing basis.

1.3 Good Neighbours Initiative:

From time to time throughout the year, shelters under development or shelters/drop-in centres currently in operation for youth, couples and single adults are required to do enhanced community liaison work with local area businesses and neighbourhoods. Agencies develop good neighbour policies and procedures to proactively engage with and address neighbourhood concerns related to shelter/drop-in programs, which is a benefit both for clients and the local community. Staff are recommending that up to \$150,000.00 from CT-HIF be allocated for this purpose, and that the General Manager of Shelter, Support and Housing Administration be delegated the authority to allocate to agencies identified by staff as requiring this support. Agencies will be required to enter into a contract with the City that clearly outlines the requirements related to this funding including reporting back on the success of the initiative.

2. Drop-in Services:

2.1 Extended Winter Hours:

Drop-in centres deliver services for homeless people and marginally housed people, and help to link these people to other services. Most drop-in centres are open during weekdays and during day time hours. There are few services open on weekends and evenings. Beginning in the winter of 2004/05, and again in 2005/06, the Shelter, Support and Housing Administration Division (SSHA) funded extended drop-in hours during the winter, as part of a comprehensive plan to ensure that people living outside always have access to warm and safe locations, whether or not a cold alert was called. Up to \$80,000.00 in funding from CT-HIF is recommended to extend drop-in hours in the winter of 2006/07. An RFP process would continue to be used to select drop-in centres.

2.2 Extended Summer Hours:

In the summer of 2005, the Medical Officer of Health requested that some drop-in centres remain open on one very hot weekend. While SSHA was able to open some drop-ins on short notice, the initiative would have been more successful if more people were aware that the drop-ins had extended their hours. For 2006, it is proposed that the same successful approach used to extend services during the winter be applied during the summer. Up to \$80,000.00 in funding from CT-HIF would be allocated to assist several air conditioned drop-in centres to stay open from 11:00 a.m. to 3:00 p.m. on weekends to provide heat respite in June, July and August. Allocating the funding at this time will allow agencies to plan for extended hours and to ensure there are locations open across the city when they are needed.

2.3 Drop-in Review:

The City has initiated a review of drop-in services. The purpose is to enhance services in this sector and to develop accountability frameworks and measurement standards to evaluate the effectiveness of funds used to address homelessness. The review would construct an inventory of services provided by all drop-in centres in the city, identify fundamental services drop-in centres can and should offer to help people who are homeless to find and keep housing (including a six month pilot test at selected drop-in centres), and develop a strategy to allocate funding to support drop-in centres in providing basic services. The review began with a literature review in 2005.

This report recommends a total of \$147,500.00 in funding from CT-HIF for the drop-in review. Of this total amount, approximately \$72,500.00 would be used for consulting services to complete the inventory, survey drop-in clients, and assist with the development and testing of services. Up to \$60,000.00 would be used to test pilot programs for six months, and the agencies selected to participate in the pilot programs will be chosen through an RFP process. The remaining \$15,000.00 will be used for workshops, and to fund back-up staff to ensure client service is maintained during the workshops. The purpose of workshops is to inform the drop-in centres about the content and progress of the review, and solicit their input.

2.4 Drop-in Network Good Practices Toolkit:

The Drop-in Network is a coalition of more than 40 drop-in programs in Toronto that is funded through the Supporting Communities Partnership Initiative. The Network is developing a guidebook of good practices with the assistance of the Agora Foundation, a charitable organization that provides supports to small, community based non-profit initiatives. The guidebook will assist agencies with their organization and operation (examples include governance, staffing, health and safety, cultural competence and communication). However, additional funding is needed to complete the initiative. Funding of up to \$40,000.00 from CT-HIF is recommended to complete the guide book and promote its use within the sector in time to complement the activities of the drop-in review. St. Stephen's Community House, which is the trustee of the Drop-in Network, will administer the funding. This initiative will complement the drop-in review by strengthening the capacity of the drop-in sector.

2.5 Coordinated Food Supply Pilot Initiative:

The Coordinated Food Supply Pilot Initiative would pilot models to improve food availability and quality to drop-in centres in Toronto. This initiative complements the drop-in review by focusing on a basic service offered by drop-in centres to people who are living on the streets and to help people with limited incomes to keep their housing. Drop-in centres currently receive food from food collection and distribution agencies, such as the Daily Bread Food Bank and Second Harvest. This initiative would explore how these agencies could enhance the nutritional value of meals served and to ensure a steady supply adequate to meet the needs of the Drop-in centres. Nutritional consultants would document the impact of the initiative at drop-in centres and changes in the

nutritional value of food distributed. It would also produce materials to assist agencies to prepare food and plan menus.

This pilot project would be delivered as a partnership between the City, the Daily Bread Food Bank and Second Harvest. The Daily Bread Food Bank would have lead responsibility for delivery of the project, which will include project management, drop-in survey, nutrition analysis, preparation of the drop-in nutrition and meal guide, and food purchases for the pilot, and is recommended for an allocation of up to \$200,000.00 from CT-HIF to fund this responsibility. Second Harvest will provide assistance to examine, among other matters, complementary food access models and their role in supporting drop-in centres, and is recommended for an allocation of up to \$40,000.00 from CT-HIF to fund this responsibility. The project plan will include appropriate linkages to the drop-in review.

3. Housing Help:

3.1 IT Support to Performance Measures:

As part of approving the “From Streets to Homes” report last February, Council directed staff to ensure that projects receiving funding are accountable, efficient and effective. Appropriate information technology can help agencies to be more effective and efficient in delivering housing help services, particularly when case management approaches are used as such approaches often have complex data requirements. With respect to improved accountability, the SSHA Performance Measurement Initiative has introduced specific reporting requirements that some agencies have difficulty collecting, in part because they do not have a suitable IT infrastructure. In addition to Council’s requirements, MCSS has introduced changes to performance measures, and the findings of the Street Needs Assessment may result in further changes to reporting requirements.

The IT support to the Performance Measures Initiative would improve project effectiveness and efficiencies, and support SSHA performance measures by improving the quality and consistency of performance measurement data collected. The initiative would include an assessment of current IT systems used by housing help service providers for their ability to collect data for the Performance Measurement Initiative, exploration of options for streamlining of reporting activities, and assessment of the potential of various IT platforms for widespread use within the sector. Up to \$65,000.00 is recommended to undertake the study and identify standard software products that can easily be adapted for reporting purposes. Should low-cost and technologically appropriate software be identified, it may be purchased for community agencies currently funded to provide housing help services through the initiative. This initiative will enhance standardization of data collection, and reduce the administrative burden to agencies, in collecting and reporting statistics.

3.2 Landlord Liaison Centre – Extension:

The Landlord Liaison Centre is a pilot project initiated by the City in late 2005 and is currently in its development phase. The objective of this initiative is to centralize information accessible to housing help workers, facilitate the identification of landlords

offering relatively low-rent housing, and provide support to landlords working with housing help agencies. For housing workers, the project will compile and maintain up-to-date information on appropriate housing for clients, cultivate relationships with new and existing landlords, and provide general housing information. This will improve the efficiency and effectiveness of housing access workers by making it easier to find suitable housing for their clients. The East York East Toronto Family Resources agency and the Resources Exist for Networking and Training (RENT) project were selected through a request for proposals process to implement this project.

This initiative will provide an important system support to housing help service providers in Toronto, and would merit ongoing funding if funding were available. It was originally funded on a one-time basis as that was all that was available at the time. The current allocation of MCSS funding provides an opportunity to extend this pilot for an additional year. Therefore, up to \$195,000.00 is recommended for allocation to East York East Toronto Family Resources to extend the Landlord Liaison Centre by one year, subject to the project achieving established milestones for the 2006 project to the satisfaction of staff, and submitting an acceptable 2007 budget and work plan.

3.3 West Downtown Housing Help – Extension:

The West Downtown Housing Help Centre is a pilot project designed to provide accessible housing help services in the west side of the downtown Community Council District. Until this project, this area of Toronto was not well served by a housing help centre. In late 2005, West Toronto Community Legal Services was awarded funding to develop and deliver this service through a competitive RFP process.

The project is currently in the development phase. If successful, it will provide an important support to the west downtown area of Toronto, to address the shortage of housing help services in this area, and would merit ongoing funding if funding were available. It was originally funded on a one-time basis as that was all that was available at the time. The current allocation of MCSS funding provides an opportunity to extend this pilot for an additional year. Therefore, up to \$174,000.00 is recommended for allocation to West Toronto Community Legal Services to extend the project by one year, subject to the project achieving established milestones for the 2006 project to the satisfaction of staff, and submitting an acceptable 2007 budget and work plan.

4. Street Outreach:

4.1 Enhanced Shelter Shuttle Service:

Native Men's Residence offers a transportation service, known as the Shelter Shuttle. In the evenings, this service helps individuals on the street get to shelters. It also helps in the implementation of the Hostel Services Shelter Standards as it provides support for transfer of clients between shelters.

The service currently operates five days per week. It is recommended that up to \$40,000.00 be provided to Native Men's Residence to enhance this service by two days per week. This will allow the service to operate seven days per week until the end of the year, and will improve access to shelters by people who are homeless, and more efficient use of shelters by people who use shelter services.

4.2 Street Outreach Summer Initiative:

Throughout the first year of the Streets to Homes initiative, there has been considerable learning about service demands and successful approaches to street outreach. During the summer months street outreach providers, particularly those operating in the downtown area, traditionally experience increased service demands. Additional resources are needed to ensure timely assistance to Parks, Forestry and Recreation staff with downtown parks, off-hour coverage of street outreach services on Nathan Phillips Square and adjoining properties such as Osgoode Hall, and street based encampments in the area bounded roughly by Yonge Street to the east, University Avenue to the west, Dundas to the north and Front Street to the south. While funding is adequate to provide a sufficient level of service to meet client needs in the fall, winter and spring, more can be done to address service demands during the warmer weather.

It is recommended that Central Neighbourhood House (CNH) be allocated up to \$40,000.00 to provide an additional four hours of support services, seven days a week for 18 weeks (June to mid September) to the area identified above. Central Neighbourhood House would be funded directly, rather than through an RFP process, as the pilot area falls within the catchment area for their existing City funded street outreach program. Enhancing the existing program is more cost effective, permits CNH workers offering the enhanced service to build upon existing relationships the organization has with appropriate support organizations in the area, and reduces the risk of duplication with other programs.

4.3 IT Support to Performance Measures:

Agencies funded by the City of Toronto to perform street outreach are required to report information on their client caseload and outcomes on a weekly basis. Given that street outreach is mobile, and street outreach workers spend the majority of their time in the field often in remote locations such as under bridges and in ravines. Using wireless technology would improve the efficiency and effectiveness of street outreach services because staff would be able to spend more time on the streets with clients, and less time in the office.

At the Community Partnership and Investment Program Appeals Sub-Committee meeting of February 15, 2006, one street outreach team reported that about 20 per cent of their time is spent entering data collected in the field into systems back at the office, and that they could do their work far more efficiently if they could take technology to the streets along with their vans. City staff that perform street outreach work directly agree with this assessment. Therefore, it is recommended that up to \$35,000.00 be available to agencies currently funded by the City of Toronto to perform street outreach to purchase technological equipment to improve their data reporting and client tracking. No single

agency would be eligible for more than \$3,500.00. Agencies would submit business cases, and would be required to demonstrate the manner with which they would implement the technology to improve the efficiency and effectiveness of their service.

5.0 One-time Funding Enhancement to Partnership Programs:

This report recommends one-time funding enhancements to agencies delivering services in the street outreach, drop-in and housing help (including Supports to Daily Living) sectors. These partnership sectors have been identified as key services in achieving Council's priority to "end(ing) street homelessness by working with other orders of government, private sector landlords, such as the Greater Toronto Apartment Association, and community partners to implement an outreach-based and rent support-based Homelessness strategy to assist homeless persons find permanent housing." They are considered partnership sectors because they tend to be funded on an ongoing basis. They are key sectors because they help people who are living outside to access housing, help people who are otherwise homeless or at-risk of homelessness to access housing and help people to keep their housing so they do not become homeless.

Council approval allocations for 2006 for these projects at its meeting of December 5, 6 and 7, 2005, City Council (Policy and Finance Committee Report No.10, Clause Nos. 29 and 30). As discussed in that report, agencies were invited to apply for the same level of funding they received in 2005. Funding was flat-lined for drop-ins and Supports to Daily Living projects. Some housing help projects received small increases. Overall, the budget for the street outreach sector increased slightly, with some agencies experiencing increases and some experiencing decreases. Housing help centres did not receive an increase to funding for their projects, although they did receive funding for a new housing follow-up project to support the streets to homes initiative. Generally agencies have been consistent in saying that after years of virtually flat-lined funding, they require additional funding to assist with basic operating costs. This concern has also been expressed in documents such as the Cracks in the Foundation report (City Council November 30, December 1 and 2, 2004, Policy and Finance Committee Report 9, Item 19), in discussions with other funders, and has been conveyed to Council in previous allocation reports.

The provision of one-time funding does not resolve the need for an ongoing stable funding environment, however, it can relieve some of the pressures these agencies are experiencing by helping with small operating and capital expenditures such as staff training, relief backup, replacement of furniture and purchases of supplies and equipment.

It is recommended that modest amounts of one-time funding be provided to agencies for operating expenditures related to the Council approved projects. The allocation amount recommended for each agency is set out in Appendix D. These recommended amounts are based on the following principles:

- (a) Higher service levels are directly related to higher project costs;
- (b) Project funding from the City must be taken into account when determining additional funding;
- (c) Enhancements already given through business cases for the same period of time must be taken into account when determining additional funding; and

- (d) A reasonable balance between accountability and administrative burden should be struck when determining the allocation approach for these amounts.

Following these principles, agencies providing drop-in services, housing help services outside of shelters (including Supports to Daily Living projects), and street outreach services are recommended to receive one-time funding of \$5,000.00, \$7,500.00 or \$10,000.00. The recommended amounts reflect funding that can easily be absorbed over the course of nine months through the regular operations of community agencies. As well, these amounts are based on a review of the past business cases submitted to the Health and Safety Fund. As a result of these one-time enhancements, if approved, 2006 funding to the drop-in service sector would increase 10.2 percent. Similarly, 2006 funding to housing help services outside of shelters would increase by 4.4 percent, to Supports to Daily Living would increase by 2.5 percent and to street outreach would increase by 4.1 percent.

The allocation amounts recommended are based on each project's service levels, hours of service and the City's contribution relative to City funding for other projects in the sector. Agencies recommended to receive \$10,000.00 have a low level of funding from the City compared to the overall cost of their operation, a high service level and long service hours. Agencies recommended to receive \$5,000.00 receive a high proportion of City funding relative to the total cost of operation, or provide service on a part time basis or to a smaller number of clients. Those recommended to receive \$7,500.00 have mid levels of clients served and hours of service and/or a relatively high level of City funding compared to the total cost of operation.

While a variety of approaches for allocating funds are possible, with varying levels of complexity, this approach appears to be the most balanced and reasonable. It is reflective of data currently available, and avoids creating a process that would require a second application from these agencies, given that they have recently completed full applications for 2006 funding in the summer.

5.1 Drop-in Services:

The City currently funds 28 agencies to provide drop-in services. As the review of the drop-in sector had only just begun, drop-in centres were not eligible for a funding increase in 2006. The review will help to develop system wide measure of operating costs. Nonetheless, drop-in centres are facing increasing operating pressures due to rising costs and in some cases increasing service demands. Because of these pressures, it is proposed that drop-in centres that currently receive funding from the City of Toronto be eligible for one-time enhanced funding.

Agencies would be allocated funds conditional upon their provision of a satisfactory business case with a budget for eligible expenditures. Expenditures will be considered eligible if they support the operation of the City funded drop-in project and may include staff training, relief staff, new or replacement equipment, and other purchases such as project supplies, TTC tokens and food. Regular staffing, new programming, research, and public education activities would not be eligible. This approach would provide flexibility to agencies to decide the priorities for their drop-in. A total of up to \$187,500.00 is recommended.

5.2 Housing Help Programs Outside of Shelters:

The City currently funds 40 housing help projects outside of shelters, excluding Rent Bank projects. The number includes seven established housing help centres and 33 other projects. Housing help projects were permitted to submit a business case for enhanced funding in the 2006 application process. While some submissions were well documented and were directed at appropriate costs, many were not. Through the 2006 application process, 16 agencies received a one-time enhancement of either \$1,588.00 or \$3,623.00.

It is recommended that all 40 projects would be allocated a one-time funding enhancement based on their function within the housing help sector. Housing help centres would receive \$10,000.00, and the remaining 33 projects would receive \$5,000.00 (less any enhancement they may have already have received through the 2006 application process). Up to \$179,068.80 is recommended for allocation.

As with drop-in funding enhancements, expenditures will be considered eligible if they support the operation of City funded projects and may include staff training, relief staff, new or replacement equipment, and other purchases such as project supplies and TTC tokens. Regular staffing, new programming, research, and public education activities would not be eligible. This approach would provide flexibility to agencies to decide the priorities for their project. Agencies will be allocated funds conditional upon their provision of a satisfactory business case with a budget for eligible expenditures. As shelters were allocated over \$900,000.00 in funding for bed frames and mattresses in 2005, and are recommended for a further \$500,000.00 in this report, further funding enhancements to housing help services within shelters have not been proposed.

5.3 Supports to Daily Living Funding:

Through the Supports to Daily Living program, the City funds 13 agencies to provide supports to tenants in alternative housing. The funding levels, which were established by the provincial government, have not changed since the administration of the program was transferred to the City in 2000. The average funding per unit varies widely among funded agencies, ranging from \$588.00 per unit to \$10,545.00.

Agencies will be allocated funds conditional upon their provision of a satisfactory business case with a budget for eligible expenditures. Expenditures will be considered eligible if they support the operation of City funded projects and may include staff training, relief staff, new or replacement equipment, and project supplies. Regular staffing, new programming, research, and public education activities would not be eligible. This approach would provide flexibility to agencies to decide the priorities for their project. Up to \$92,500.00 is recommended for one-time funding to SDL projects.

5.4 Street Outreach:

The City funds 13 programs in this sector. This is composed of 11 street outreach programs and two programs that provide support to the outreach services.

Eligible expenditures would include appropriate clothing for working outdoors and related equipment (bikes, knapsacks, first aid kits, etc.) or equipment to improve their home office. Regular staffing, new programming, research and public education activities would not be eligible. This approach would provide flexibility to agencies to decide the priorities for their project. Up to \$100,000.00 is recommended for one-time funding to street outreach projects.

Administrative Costs:

MCSS has traditionally permitted a small portion of its funds to be claimed by the City as administrative costs. In the 2006 BAC Recommended budgets, \$282,000.00 in CT-HIF funds and \$90,300.00 in OSIS funds have been included for administration. On December 7, 2005, MCSS advised that the City may claim up to 10 percent of MCSS funds for administration in 2006. As the usual amount of annual funding received for homelessness programs is \$15.8 million, this could be a significant amount; however, taking the full amount would reduce funds available for community agencies to provide direct services. Additional administrative funds are required to ensure continued good management and delivery of the MCSS program, and it is recommended that \$154,000.00 be allocated from OSIS and \$30,000.00 from CT-HIF for this purpose. The OSIS funds would be used for front-line staff delivering street outreach services, and the CT-HIF funds would be put towards the salary costs of one agency review position.

Conclusions:

This report provides information about the 2005 one-time allocations of the City of Toronto Homeless Initiatives Fund and Off the Streets Into Shelter Fund, as requested by Council at its meeting on October 26, 27, 28 and 31, 2005. As a result of the funding, 92 separate projects were implemented through 11 different initiatives. In total, \$2,935,565.00 from CT-HIF and \$664,500.00 from OSIS was allocated to 53 community agencies and the City.

This report also informs Community Services Committee of the receipt of an additional \$2.9 million in one-time funding from the Ministry of Community and Social Services for 2006, and recommends amendments to 2006 Budget Advisory Committee Recommended operating budgets to receive this funding. It recommends increasing the City of Toronto Homeless Initiatives Fund budget by \$2,438,500.00 gross and \$0 net, the Off the Streets Into Shelter budget by \$369,000.00 gross and \$0 net, and the Supports to Daily Living budget by \$92,500.00 gross and \$0 net.

Finally, the report recommends 2006 one-time allocations which total \$2,699,568.80 and \$0 net. These allocations are comprised of \$1,956,500.00 for 14 specific homelessness initiatives, \$559,068.80 for one-time funding enhancements to 75 community agencies serving people who are homeless or at risk of homelessness, and \$184,000.00 to enhance the administration of funding programs.

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List of Attachments:

- Appendix A: Summary of 2005 One-time Allocations
- Appendix B: Summary of Recommended 2006 One-time Allocations
- Appendix C: Recommended One-time Allocations to Specific Initiatives
- Appendix D: Recommended One-time Funding to Drop-in, Housing Help Outside of Shelters, Supports to Daily Living and Street Outreach Projects

Appendix A: Summary of 2005 One-time Allocations

(1) Youth Pre-employment Training and Support Programs (\$875,000.00):

These projects provide pre-employment training and other supports for youth in neighbourhoods identified by Council as Community Safety Priority Neighbourhoods.

Agency	Project Name	Amount Requested (\$)	Amount Allocated (\$)	Ward
West Scarborough Neighbourhood Community Centre	Get in Gear Project	350,000	350,000	35
West Scarborough Neighbourhood Community Centre	Malvern Youth Community Employment Program	350,000	350,000	42
Jobs Vision Success	Jane and Finch Retail Training Project	175,000	175,000	7,8,9
Total		875,000	875,000	

(2) Shelter Bed Replacement Program (\$930,565.00):

These funds were used to replace beds and/or mattresses that have been affected by bed bugs with equipment that is more resistant in purchased service shelters (Phase 1). A total of 1,256 beds, 238 bunk beds, 1,887 mattresses and five cribs are in the process of, or have been, replaced. This investment means that 62 percent of all beds and 67 percent of mattresses in the system (not including Out-of-the-Cold beds) will be replaced with more bed bug resistant furniture.

Agency and Shelter	Amount Allocated (\$)	Ward
Christie/Ossington Neighbourhood Centre, Women's Hostel	2,677.50	19
Christie-Ossington Neighbourhood Centre, Men's Hostel	6,037.50	18
Cornerstone	26,250.00	21
COSTI, Co-ed Adult Shelter	8,327.00	20
Covenant House	64,050.00	27
Dixon Hall, 60 Richmond	39,427.50	28
Dixon Hall, Heyworth House	24,990.00	31
Dixon Hall, Schoolhouse	20,212.50	27
Eva's, Eva's Phoenix	21,525.00	19
Eva's, Eva's Place	13,602.50	34
Eva's, Eva's Satellite	3,097.50	23
Fife House, Dennison	787.50	27
Fife House, Gladstone	945.00	27
Fife House, Hastings	2,625.00	27
Fred Victor, Women's Hostel	16,275.00	28
Good Shepherd Ministries	40,162.50	28
Homes First Society, Savard's	8,400.00	18
Homes First Society, Strachan House	11,970.00	19
Native Child and Family	6,300.00	19
Native Men's Residence	15,277.50	21
Native Men's Residence, Tumivut	6,300.00	21
Nellies	10,500.00	30
Salvation Army, Evangeline	36,102.50	14
Salvation Army, Gateway	16,950.00	28
Salvation Army, Hope	56,700.00	20
Salvation Army, Maxwell Meighen	120,750.00	28
Salvation Army, Riverdale	9,450.00	30
Scarborough Hope	35,050.00	35
Scott Mission	7,875.00	20
Second Base Youth Shelter	23,205.00	35
Sojourn House	17,167.50	27
St. Vincent de Paul, Amelie House	16,275.00	30
St. Vincent de Paul, Elisa House	21,000.00	6
St. Vincent de Paul, Mary's Home	19,950.00	27
St. Vincent de Paul, St. Clare's Residence	14,700.00	24
Street Haven at the Crossroads	14,410.00	27
Toronto Community Hostel	15,277.50	20
Touchstone Youth Shelter	14,752.50	29
Treasure House Ministries	25,200.00	20
Turning Point	11,392.50	27
World Vision	33,600.00	20
YMCA House	12,335.00	20
Youth Without Shelter	12,045.00	1
YWCA, Beatrice House	30,048.00	17
YWCA, First Stop Woodlawn	16,590.00	19
Total	930,565.00	

(3) Organizational Capacity Building RFP Funding Allocations (\$330,000.00):

This initiative provided short-term funding for projects that strengthen the capacity and ongoing stability of agencies that work with people who are homeless or at risk of homelessness. Funds have been, or are being used for a variety of activities, such as strategic planning, board training, management processes and communication initiatives.

Agency	Project Name	Amount Requested (\$)	Amount Allocated (\$)	Ward
519 Church St. Community Centre	Program Planning and Evaluation Project	15,000	15,000	27
Access Alliance Multicultural CHC	Community Needs Assessment and Service Relocation Strategy	15,000	15,000	20
Christie/Ossington Neighbourhood Centre	New Views 2 Upgrade and Staff Training	14,548	6,150	18
Community Action Resource Centre	Human Resources Systems and Communications Tool Development	15,000	15,000	12 17
East York/East Toronto Family Resources	Building Communications Capacity	15,000	15,000	30
Ecuhome Corporation	Maintenance and IT Systems Improvement	15,000	15,000	20
Fife House Foundation	Human Resource Management Systems and Partnership Project	25,000	15,000	27
Flemingdon Neighbourhood Services	Strategic Planning and Website Development Project	15,000	15,000	26
Good Shepard Refuge Social Ministries	Strategic Plan Development	15,000	15,000	28
John Howard Society	Implementation of Strategic Plan	4,100	4,100	27
Massey Centre for Women	Project Capacity Building	15,000	13,500	29
MUC Shelter Corp. (Sojourn House)	Best Practices: Human Resources Systems for the New Sojourn House	13,765	13,765	27
Native Men's Residence	Building a Platform for Sustainability and Organizational Effectiveness	15,000	15,000	21
Riverdale Housing Action Group	Business Plan Development (3 years)	14,300	11,000	32
Second Base Youth Shelter	Fundraising Development Plan	14,650	14,650	35
Sistering	Strategic Planning and Policy Enhancement	12,300	12,300	18
Stonegate CHC	Community Needs Assessment and Analysis	15,000	15,000	5
The Stop Community Food Centre	Strategic Plan: Operational Plan Development	10,830	10,830	17
Toronto Christian Resource Centre	Strategic Planning Project	15,000	15,000	28
Toronto Community Hostel	Program Planning and Evaluation	13,700	13,700	20
Touchstone Youth Centre	Organizational Capacity Building Initiatives	15,000	15,000	29

Agency	Project Name	Amount Requested (\$)	Amount Allocated (\$)	Ward
Weston-King Neighbourhood Centre	Strategic Planning and Policy Development – Weston King Neighbourhood Centre	15,000	15,000	12
Wigwamen Inc	Organizational Visioning and Strategic Planning	15,000	15,000	22
Women's Hostels Inc (Nellies)	Strategic Planning	15,000	5,000	30
Youthlink	Management Structure Review	15,000	15,000	35
Total		363,193	329,995	

(4) Transition to Work Program (\$50,000.00):

City staff worked with the Toronto Christian Resource Centre (Ward 28) to provide access to training programs for up to 15 homeless individuals from the Fort York and Family Residence shelters. The Toronto Christian Resource Centre is experienced in this area through their involvement in providing pre-apprenticeship training for youth in the Regent Park redevelopment project. In this project, they are working with George Brown College to administer the funding for pre-apprenticeship skills training provided by the College for shelter residents, as well as providing other employment related supports.

(5) Landlord Liaison Centre (\$250,000.00):

East York East Toronto Family Services (Ward 30) was selected through an RFP process to develop and deliver a service to improve the availability and accessibility of affordably priced rental units to housing help workers in order that to help them assist their clients to find and keep housing. Consultations to develop accountability agreements between housing workers and landlords are underway.

(6) Housing Help Service (\$150,000.00):

West Toronto Community Legal Services (Ward 19) was selected through an RFP process to deliver a housing help service in the west downtown area, which has been underserved. The service model proposed is innovative in that service will be available at a number of locations in the area on a rotating basis, which keeps overhead costs low and improves accessibility for clients. This agency has targeted service for 900 households over a nine month period.

(7) Transitional Trusteeship Pilot (\$200,000.00):

This pilot project provides a type of trusteeship project, focused on money management and support for clients who can manage with a shorter term of support as opposed to more traditional trusteeship models where clients tend to use the programs for longer periods of time. Two agencies were selected through an RFP process to offer this pilot project. St. Stephen's Community House (Ward 20) received \$85,576.00 as they have extensive experience in administering trusteeships as well as working with individuals with mental health or addiction issues. Neighbourhood Information Post (Ward 28) received \$114,424.00 based on their experience in administering both trusteeships and the Toronto Rent Bank. The agency has also developed strong relationships with other service providers in priority neighbourhoods that will

enhance the reach of this project. Together, these agencies have set a target of between 180 to 200 individuals to be helped through this funding.

(8) Drop-in Services Review and Pilot (\$100,000.00):

A total of \$100,000.00 was approved for consultant studies to assist with work on the drop-in services review and pilot, however, it was not possible in the short time available to complete the RFP process. The smaller literature review and environmental scan process was initiated at a cost of \$7,500.00.

(9) Street Outreach Acquisitions (\$414,500.00):

A number of acquisitions were achieved under this initiative. Perhaps the most significant was that eight aging vans used by community agencies for street outreach services were replaced. The table below lists the agencies that received replacement vans, and the amount of funding they received.

Agency	Amount Requested	Amount Allocated (\$)	Ward
Native Men's Residence	27,232.00	27,232.00	21
Salvation Army – Gateway	29,140.50	29,140.50	28
Anishnawbe Health Toronto	27,387.60	27,387.60	28
Central Neighbourhood House	36,846.00	36,846.00	28
Toronto North Support Services	36,248.60	36,248.60	34
Albion Neighbourhood Services	32,762.00	32,762.00	1
Agincourt Community Services Association	24,343.84	24,343.84	40
Christie-Ossington Neighbourhood Centre	35,016.00	35,016.00	18
Total	248,976.54	248,976.54	

Through a competitive RFP process, Toronto North Support Services (Ward 34) was selected to provide extended street outreach services in the evenings for \$140,000.00. Most of the remaining funds (\$25,000.00) were used by City staff to fund moving expenses, including purchasing vouchers for food and other supplies, as part of the Streets to Homes initiative.

(10) 110 Edward Street Acquisitions (\$200,000.00):

Up to \$200,000.00 in funding was approved to purchase equipment, supplies and renovations, as these costs were not including in the 2005 operating budget for this facility when it was established on a temporary basis. Purchases included laundry machines, bathroom upgrades, office equipment, locks and bedding. A total of \$186,446.00 of the approved funds was used for this purpose.

(11) Portable HEPA Filters in Out-of-the-Cold Sites (\$100,000.00):

Many of the Out-of-the-Cold sites are located in church basements that do not have heating, ventilation and air conditioning systems in place sufficient to keep the airspace clear of air-borne pathogens. \$100,000.00 in funding was allocated to Dixon Hall to purchase portable HEPA filters for this purpose in Out-of-the-Cold sites. An assessment project is currently underway with Public Health and a respirologist to determine the appropriate specifications for, and number of HEPA filters to be purchased for each site.

Summary of 2005 One-time Allocations by Community Council District:

The following table shows Community Council District in which agencies and projects received 2005 one-time allocations. The \$200,000.00 allocated for purchases for 110 Edward Street and \$100,000.00 allocated to the drop-in review are not reflected in this table as these amounts were not allocated to community agencies.

Community Council District	# of Agencies	# of Projects	Amount Allocated (\$)
Etobicoke York	6	8	151,685.00
Toronto and East York	38	68	1,938,477.56
North York	4	7	397,648.60
Scarborough	5	7	812,249.34
Total	53	90	3,300,060.50

Unused Allocated Funds:

Not all approved funds were actually cash flowed for some initiatives. This was due to time constraints to spend the available funds, and in some cases, an overestimation of the costs of the project. As mentioned above, \$92,500.00 was approved but not allocated for the drop-in review project due to time constraints. Including the unused funding for the drop-in review, a total of \$106,582.00 was allocated for 2005 one-time initiatives but not cash flowed, representing 3.0 percent of the total approved amount. As they were provincial subsidies, these funds were returned to MCSS as part of the 2005 year-end reconciliation process.

Appendix B: Summary of Recommended 2006 One-time Allocations

	Recommended 2006 One-time Allocation
1.0 Shelters	
1.1 Shelter Bed Replacement Program (Phase 2)	500,000.00
1.2 Shelter Standards and Quality Assurance	170,000.00
1.3 Good Neighbours Initiative	150,000.00
2.0 Drop-in Services	
2.1 Extended Drop-in Winter Hours	80,000.00
2.2 Extended Drop-in Summer Hours	80,000.00
2.3 Drop-in Review	147,500.00
2.4 Drop-in Network Good Practices Toolkit	40,000.00
2.5 Coordinated Drop-in Food Supply Pilot Initiative	240,000.00
3.0 Housing Help Services	
3.1 IT Support to Performance Measures	65,000.00
3.2 Landlord Liaison Centre – Extension	195,000.00
3.3 West Downtown Housing Help - Extension	174,000.00

4.0 Street Outreach Services	
4.1 Enhanced Shelter Shuttle Service	40,000.00
4.2 Street Outreach Summer Initiative	40,000.00
4.3 IT Support to Performance Measures	35,000.00
Subtotal Specific Initiatives	1,956,500.00
5.0 One-time Allocations to Existing Projects	
5.1 Drop-in Services	187,500.00
5.2 Housing Help Programs Outside of Shelters	179,068.80
5.3 Supports to Daily Living	92,500.00
5.4 Street Outreach Services	100,000.00
Subtotal Allocations to Existing Projects	559,068.80
Administration	
Front-line street outreach staff	154,000.00
Agency review staff	30,000.00
Subtotal Administration	184,000.00
Total New One-time Allocations	2,699,568.80

Appendix C: Recommended One-time Allocations to Specific Initiatives

#	Initiative	Organization (s)	2006 One-time Allocation	Ward
1.1	Shelter Bed Replacement Program (Phase 2)	City-managed shelters	500,000.00	Various
1.2	Hostel Standards and Quality Assurance	All shelters	170,000.00	Various
1.3	Good Neighbours Initiative	Select shelters	150,000.00	n/a
	Subtotal		820,000.00	
2.1	Extended Drop-in Winter Hours	Drop-ins selected through RFP	80,000.00	n/a
2.2	Extended Drop-in Summer Hours	Drop-ins selected through RFP	80,000.00	n/a
2.3	Drop-in Review	Consultant	72,500.00	n/a
		Drop-ins selected through RFP	75,000.00	n/a
2.4	Drop-in Network Good Practices Toolkit	St. Stephen's Community House	40,000.00	20
2.5	Coordinated Drop-in Food Supply Pilot Initiative	Daily Bread Food Bank	200,000.00	6
		Second Harvest	40,000.00	8
	Subtotal		587,500.00	

3.1	IT Support to Performance Measures	Housing help service providers	65,000.00	All
3.2	Landlord Liaison Centre – Extension	East York/East Toronto Family Resources	195,000.00	30
3.3	West Downtown Housing Help – Extension	West Toronto Community Legal Services	174,000.00	19
	Subtotal		434,000.00	
4.1	Enhanced Shelter Shuttle Service	Native Men's Residence	40,000.00	21
4.2	Street Outreach Summer Initiative	Central Neighbourhood House	40,000.00	28
4.3	IT Support to Performance Measures	Street outreach service providers	35,000.00	All
	Subtotal		115,000.00	
	Grand Total		1,956,500.00	

Appendix D: Recommended One-time Funding to Drop-in, Housing Help Outside of Shelters, Supports to Daily Living and Street Outreach Projects

Recommended One-time Allocations to Drop-in Service Providers

Organization	Name	2006 Current Funding (\$)*	2006 One-time Allocation (\$)	Revised 2006 Funding (\$)	Ward
519 Church Street Community Centre	Sunday and Meal Trans Drop-in	92,120.00	5,000.00	97,120.00	27
Agincourt Community Services Association Inc.	Drop-in and Meal Program	66,060.00	5,000.00	71,060.00	40
All Saints' Church-Community Centre	Drop-in	143,579.60	7,500.00	151,079.60	28
Bloor-Bathurst Interchurch Gathering Spot	The Gathering Spot	26,370.99	5,000.00	31,370.99	20
Christie/Ossington Neighbourhood Centre	Drop-in and Meal Program	69,216.00	7,500.00	76,716.00	18
Davenport-Perth Neighbourhood Centre	Homeless Prevention Drop-in	58,537.32	5,000.00	63,537.32	17
Evangel Hall	Drop-in	14,317.00	10,000.00	24,317.00	20
Fred Victor Centre	Women's Day Program	156,013.96	5,000.00	161,013.96	28
Good Neighbours Club	Drop-in Project	53,600.00	7,500.00	61,100.00	27
Good Shepherd Refuge Social Ministries	Good Shepherd Centre Drop-in	54,510.00	7,500.00	62,010.00	28
Houselink Community Homes	Drop-in and Food Program	39,351.44	7,500.00	46,851.44	19
Native Child and Family Services of Toronto	Drop-in for Native Youth	19,430.29	7,500.00	26,930.29	27
Parkdale Activity Recreation Centre	Hunger Initiatives Program	10,226.47	10,000.00	20,226.47	14

Second Base (Scarborough) Youth Shelter	Drop-in	40,906.00	5,000.00	45,906.00	35
Sistering: A Woman's Place	Drop-in Centre and Outreach	120,029.09	7,500.00	127,529.09	18
St. Christopher House	The Meeting Place Community Drop-in Programs	50,518.00	10,000.00	60,518.00	19
St. Stephen's Community House	Corner Drop-in	68,926.00	7,500.00	76,426.00	20
Stop Community Food Centre	The Stop Drop-in	18,923.05	5,000.00	23,923.05	17
Street Haven at the Crossroads	Drop-in Program	61,359.00	7,500.00	68,859.00	27
Syme-Woolner Neighbourhood and Family Centre	Jane's Place Drop-in	76,094.00	5,000.00	81,094.00	12
Toronto Christian Resource Centre	Drop-in Program	138,413.19	7,500.00	145,913.19	28
Toronto Council Fire Native Cultural Centre	Drop-in	47,754.53	10,000.00	57,754.53	28
Toronto Friendship Centre Inc.	General Drop-in and Meal Program	179,372.23	7,500.00	186,872.23	28
Touchstone Youth Centre	Drop-in Program	40,905.00	5,000.00	45,905.00	29
Warden Woods Community Centre	Teesdale Drop-in	49,548.00	5,000.00	54,548.00	35
Wychwood Open Door Drop In-Centre	Wychwood Open Door Drop-in Centre	59,025.00	5,000.00	64,025.00	21
Yonge Street Mission	Evergreen Parent Relief	26,588.81	5,000.00	31,588.81	28
York Community Services	Weston King Neighbourhood Centre Drop-in	56,245.57	5,000.00	61,245.57	12
Total		1,837,940.54	187,500.00	2,025,440.54	

* approved by City Council at its meeting of at its meeting of December 5, 6 and 7, 2005 (Policy and Finance Committee Report No.10, Clause No. 30).

Recommended One-time Allocations to Housing Help Outside of Shelters Service Providers

Organization	Name	2006 Current Funding (\$)*	2006 One-time Allocation (\$)	Revised 2006 Funding (\$)	Ward
Albion Neighbourhood Services	Etobicoke Housing Help	257,588.00	10,000.00	267,588.00	01
Central Neighbourhood House	Vulnerable Seniors Housing Support Project	52,053.00	5,000.00	57,053.00	28
Centre for Equality Rights in Accommodation	Early Intervention	76,050.00	5,000.00	81,050.00	20
Children's Aid Society of Toronto	One Stop Housing	52,933.22	5,000.00	57,933.22	27
COSTI IIAS Immigrant Services	North York Housing Help and Drop-in Services	360,826.00	10,000.00	370,826.00	17
East York/East Toronto Family Resources	EYET Housing Help Centre	104,052.72	10,000.00	114,052.72	30
Evangel Hall	Housing Support	55,675.60	1,377.12	57,052.72	20

Fife House	Access to Housing and Support	55,675.88	1,377.12	57,053.00	27
Flemingdon Neighbourhood Services	Housing Support and Drop-in Services	237,625.00	10,000.00	247,625.00	26
Fresh Start Cleaning and Maintenance	Extreme Cleaning	32,596.00	5,000.00	37,596.00	19
Hispanic Development Council	"Mi Casa Es Su Casa" - My Home is Your Home	52,052.00	5,000.00	57,052.00	20
John Howard Society of Toronto	First Things First: Offender Treatment and Housing	86,616.13	5,000.00	91,616.13	27
LOFT Community Services	SOS - Access to Housing	54,135.00	5,000.00	59,135.00	27
Massey Centre for Women	Housing Support for Young Families	55,675.88	1,377.12	57,053.00	29
Metropolitan United Church	Housing Help Services	51,936.00	5,000.00	56,936.00	27
Midaynta Association of Somali Service Agencies	Support Services for Homeless Somalis	57,757.71	1,377.12	59,134.83	22
Native Child and Family Services of Toronto	Streets to Shelter	52,052.70	5,000.00	57,052.70	27
Native Women's Resource Centre of Toronto	Housing Program	53,178.00	5,000.00	58,178.00	27
Neighbourhood Information Post	Trusteeship Project	26,026.36	5,000.00	31,026.36	28
Neighbourhood Link	Seniors Housing Access and Support	55,675.60	1,377.12	57,052.72	32
Oolagen	Homeless Young Families	56,558.88	1,377.12	57,936.00	27
Parkdale Activity Recreation Centre	Money Matters - Voluntary Trusteeship Program	30,690.29	1,377.12	32,067.41	14
Regent Park Community Health Centre	African Outreach Project	49,312.69	1,377.12	50,689.81	28
Scarborough Housing Help Centre	Scarborough Housing Help	315,477.00	10,000.00	325,477.00	37
Sistering: A Woman's Place	Sistering/Fred Victor Centre Hostels to Homes	113,248.78	5,000.00	118,248.78	18
St. Stephen's Community House	Corner Drop-in Housing Help	60,053.88	1,377.12	61,431.00	20
Stonegate Community Health Centre	Youth Homelessness Prevention Program	55,675.88	1,377.12	57,053.00	05
Syme-Woolner Neighbourhood and Family Centre	York Housing Supports	78,599.00	5,000.00	83,599.00	12
The MUC Shelter Corporation (Sojourn House)	Newcomer Resource Centre for Housing Information	104,105.00	5,000.00	109,105.00	27
Toronto Refugee Community Non-Profit Homes and Services	New Canadians	55,675.60	1,377.12	57,052.72	14
Visiting Homemakers Association (VHA)	Extreme Cleaning Service	34,069.00	3,412.00	37,481.00	22
Warden Woods Community Centre	Prevention of Homelessness Among Older Adults	62,335.00	5,000.00	67,335.00	35

West Hill Community Services	Community Support Project	55,675.60	1,377.12	57,052.72	36
West Toronto Community Legal Services	Homelessness Prevention Project	57,770.38	1,377.12	59,147.50	19
Wigwamen	Aboriginal Housing Support Centre	55,675.60	1,377.12	57,052.72	22
Woodgreen Community Services	Rooming House Emergency Relocation Project	57,757.71	1,377.12	59,134.83	30
Woodgreen Community Services	Comprehensive Housing Help and Eviction Prevention	122,143.90	10,000.00	132,143.90	30
Woodgreen Community Services	Emergency Homelessness Pilot Project	190,000.00	5,000.00	195,000.00	30
Yonge Street Mission	Evergreen Housing Access for Youth	52,052.00	5,000.00	57,052.00	28
York Community Services	York Housing Help	184,006.10	10,000.00	194,006.10	12
Total		3,621,063.09	179,068.80	3,800,131.89	

* approved by City Council at its meeting of at its meeting of December 5, 6 and 7, 2005 (Policy and Finance Committee Report No.10, Clause No. 30).

Recommended One-time Allocations to Support to Daily Living Service Providers

Organization	Name	2006 Current Funding (\$)*	2006 One-time Allocation (\$)	Revised 2006 Funding (\$)	Ward
All Saints Church-Community Centre	Cornerstone/Dundas St SDL	295,405.16	5,000.00	300,405.16	28
Canrise Non-Profit Housing Inc	Canrise SDL	150,303.32	7,500.00	157,803.32	18
Dixon Hall	Dixon SDL	185,017.65	7,500.00	192,517.65	28
Ecuhome Corporation	Ecuhome SDL	1,030,178.90	5,000.00	1,035,178.90	20
Homes First Society	Homes First SDL	739,807.69	7,500.00	747,307.69	27
Houses Opening Today Toronto (HOTT)	HOTT SDL	92,215.91	7,500.00	99,715.91	36
Nazareth House	Nazareth House SDL	115,997.82	10,000.00	125,997.82	19
Portland Place Non-Profit Housing	Portland Place SDL	113,857.26	5,000.00	118,857.26	20
Riverdale Housing Action Group	RHAG SDL	33,336.09	7,500.00	40,836.09	32
Toronto Christian Resource Centre Self-Help Inc.	TCRC SDL	104,040.26	10,000.00	114,040.26	30
Woodgreen Community Services	Woodgreen SDL	274,284.62	10,000.00	284,284.62	30
YSM Genesis Place Homes Inc.	Genesis Place SDL	128,198.57	5,000.00	133,198.57	27
YWCA of Greater Toronto	Pape/Humewood SDL	462,563.53	5,000.00	467,563.53	22
Total		3,725,206.78	92,500.00	3,817,706.78	

* approved by City Council at its meeting of at its meeting of December 5, 6 and 7, 2005 (Policy and Finance Committee Report No.10, Clause No. 29).

Recommended One-time Allocations to Street Outreach Service Providers

Organization	Name	2006 Current Funding (\$)*	2006 One-time Allocation (\$)	Revised 2006 Funding (\$)	Ward
Agincourt Community Services Association Inc.	Scarborough Streets to Homes Initiative	195,950.59	7,500.00	203,450.59	40
Albion Neighbourhood Services	Etobicoke Street Outreach Services	277,939.53	10,000.00	287,939.53	01
Anishnawbe Health Toronto	Babishkhan	327,903.48	5,000.00	332,903.48	28
Central Neighbourhood House	Street Survivors	166,481.00	10,000.00	176,481.00	28
Christie/Ossington Neighbourhood Centre	Off the Street Into Shelter	123,272.94	10,000.00	133,272.94	18
COTA Health	Safe Room	6,975.47	5,000.00	11,975.47	15
Findhelp Information Services (Community Information Toronto)	Street Helpline	238,192.82	7,500.00	245,692.82	20
Native Men's Residence	Street Outreach	409,965.57	10,000.00	419,965.57	21
Salvation Army Gateway	Gateway Outreach	141,264.02	10,000.00	151,264.02	28
St. Stephen's Community House	Corner Drop-in Street Outreach	88,952.54	7,500.00	96,452.54	20
Toronto North Support Services	High Support Street Outreach	275,619.51	10,000.00	285,619.51	34
Youthlink	Street Outreach	164,960.00	7,500.00	172,460.00	35
Total		2,417,477.47	100,000.00	2,517,477.47	

* approved by City Council at its meeting of at its meeting of December 5, 6 and 7, 2005 (Policy and Finance Committee Report No.10, Clause No. 30).

The Policy and Finance Committee also submits the communication (February 23, 2006) from the Audit Committee entitled “Auditor General’s 2006 Operating Budget Request - Operation of the Fraud and Waste Hotline Program”:

Recommendation:

The Audit Committee recommends to the Policy and Finance Committee that the Auditor General’s 2006 Operating Budget request for two additional audit staff resources, with one of the two additional staff being assigned to the operation of the Fraud and Waste Hotline, be approved.

Action taken by the Committee:

The Audit Committee received the report (February 9, 2006) from the Auditor General titled “Annual Report on the Status of Fraud and Related Matters, including the Operation of the Fraud and Waste Hotline Program”.

Background:

At its meeting on February 22, 2006, the Audit Committee had before it:

- Report (February 9, 2006) from the Auditor General, recommending that this report be received for information;
- Paper copy of PowerPoint presentation given by Carmelina Di Mondo, Manager, Forensic Unit, Auditor General's Office

(Report dated February 9, 2006, addressed to the
Audit Committee from the Auditor General
entitled "Annual Report on the Status of Fraud and
Related Matters, including the Operation of the Fraud
and Waste Hotline Program")

Purpose:

To submit, as requested by the Audit Committee, an annual report on the status of fraud and related matters, including the operation and activities of the Fraud and Waste Hotline Program.

Financial Implications and Impact Statement:

Complaints received by the Auditor General's Office (related to suspected fraud, waste or irregular activity involving City resources) may result in an investigation being conducted or may also be referred to City divisions for review, as summarized in this report. In some cases, substantiated complaints have or may result in the recovery of funds to the City. In addition, recommendations made to management resulting from investigations conducted and complaints referred to divisions for review and appropriate action, should minimize the risk of fraudulent activities and other improprieties, thereby mitigating potential losses to the City.

Recommendations:

It is recommended that this report be received for information.

Background:

This report represents the Auditor General's annual report to the Audit Committee on the status of fraud and related matters, including the operation and activities of the Fraud and Waste Hotline Program.

Prevalence of Fraud and Other Irregular Activities:

Fraud or other irregular activities in the workplace is a continuing concern in government and private sectors.

Professional literature and surveys/studies continue to highlight the prevalence of this problem, as does the media's coverage of such incidents in both the public and private sector.

What organizations are doing internally to combat irregular activities has become a sensitive issue in corporate governance, reinforcing the importance for continued efforts by organizations to enhance initiatives to combat irregular activity within their corporate workplace environments.

Legislated Impetus to Establish Anonymous Reporting Mechanisms:

As previously reported, the City's establishment of an anonymous reporting program is aligned with a legislated impetus that has, in some jurisdictions, mandated the use of a hotline or other anonymous reporting mechanisms as an effective means of detecting irregularities.

In response to various corporate scandals in the United States, the Sarbanes-Oxley corporate reform law was passed in 2002 requiring public company audit committees to establish confidential reporting mechanisms for employees. Related implementation rules on receiving and addressing confidential and anonymous complaints from employees were adopted by the U.S. Securities and Exchange Commission. As of 2004, Canadian securities legislation requires all publicly-listed companies to provide an anonymous reporting service to employees.

Recent amendments to the Canadian Criminal Code were designed to protect employees from employment-related retribution due to whistle-blowing. Also, with additional amendments to the Criminal Code, senior company officers may be held personally and criminally responsible for workplace injuries or fraud where there has been negligence or a lack of care, highlighting an employer's need to pay attention to complaints about health and safety issues.

At the Canadian federal level, the government has reintroduced legislation entitled "The Public Servants Disclosure Protection Act" (Bill C-11), a Canadian federal Act to establish a procedure for the disclosure of wrongdoings in the public sector, including the protection of persons who disclose the wrongdoing (received its first reading in the House of Commons on October 8, 2004), the impact of which has yet to be determined.

This legislated impetus, along with initiatives by internal audit organizations, media coverage and professional literature, require private and government organizations to focus on enhancing corporate governance practices and seem to have all contributed to the use of a hotline (or other anonymous reporting mechanism) becoming a best practice.

A significant number of U.S. municipal and state governments operate a fraud and waste hotline. Since we last reported, the City of Ottawa and the City of Windsor have implemented a hotline program while other Canadian cities (i.e., Edmonton and Brampton) are actively considering the establishment of such a program. We have provided significant background information to both the City of Edmonton and the City of Brampton in connection with the program.

Anonymous Reporting Mechanisms – Effective Means of Detecting Fraud or Irregularities:

The most cost-effective way to deal with fraud or irregularities involving City resources is to prevent it. Establishment of an anonymous hotline in an organization to report inappropriate or unethical conduct is one initiative that may enhance control and accountability bringing an organization one step closer to minimizing the risk of irregular conduct involving corporate resources.

Our research continues to indicate that anonymous reporting mechanisms are an effective means of detecting irregularities, as tips or complaints received by an organization remain the most common means of detecting fraud.

The Association of Certified Fraud Examiners (a U.S. based global professional association), in its comprehensive study entitled “2004 Report to the Nation on Occupational Fraud and Abuse” indicates that while frauds may be detected through various sources, the greatest percentage of frauds detected were as a result of a tip.

In a recent global survey (PricewaterhouseCoopers Global Economic Crime Survey 2005), country specific findings indicated that approximately one quarter of Canadian cases were found to be uncovered by chance and internal or external tip off. A further 10 per cent were uncovered by a whistle-blower hotline.

Toronto Computer Leasing Inquiry and the Toronto External Contracts Inquiry Acknowledges Anonymous Reporting:

On September 12, 2005, Justice Denise Bellamy issued her four-volume report on the Toronto Computer Leasing Inquiry and the Toronto External Contracts Inquiry. The Inquiry process and Justice Bellamy’s findings received extensive media coverage. The Inquiry provided an opportunity for the City of Toronto to evaluate its ethical culture and take initiatives over the last three years to enhance its ethics portfolio which included, in 2002, the implementation of a fraud policy and a telephone hotline.

Justice Bellamy acknowledged the value of anonymous reporting in the context of facilitating complaints regarding elected officials (to the City’s Integrity Commissioner). In this context, Justice Bellamy’s recommended that:

“Members of the public should be allowed to make complaints to the integrity commissioner. Complaints can be anonymous and need not be in the form of sworn affidavits.”

The City’s Fraud and Waste Hotline Program, administered by the Auditor General’s Office, is aligned with the spirit of Justice Bellamy’s Good Governance recommendations and demonstrates to the public and staff that the City of Toronto takes complaints involving City resources seriously.

Reporting Incidents of Fraud or Other Irregularities:

Fraud detection and reporting are an important component in an organization’s system of internal controls. The City of Toronto’s Policy on Fraud and Other Similar Irregularities (the Fraud Policy) formalized the duty of employees to report all allegations of fraud or other irregularity involving City resources to the Auditor General’s Office.

Suspected incidents of fraud or other improprieties are brought to the attention of the Auditor General by City staff, suppliers or the public. These incidents may be reported to the Auditor General directly by City staff, by mail, through an anonymous telephone Hotline (416-397-STOP (7868) with 24-hour voice-mail) or via the Internet using a secure on-line form. The Auditor General may also identify incidents in the course of conducting audits.

Comments:

City's Fraud and Waste Hotline Program:

The City of Toronto's Fraud and Waste Hotline Program (the Hotline Program) is an ongoing initiative operated by the Auditor General's Office, established as a centralized facility for anonymous reporting of allegations of fraud, waste and other irregularities involving City resources (referred to as complaints). Operation of the Hotline Program includes administration of complaint intake, electronic tracking of complaints, disposition of complaints received, and the annual reporting on the activity of the Hotline Program.

The Hotline Program began as an anonymous telephone resource (with 24-hour voice messaging). A six-month pilot was conducted (from March 1, 2002 to August 31, 2002) with operation continuing after the pilot ended. City Council approved the initiative as a permanent program in November 2002.

The Hotline Program has since been expanded through the development of a reporting and data management application that permits anonymous reporting of complaints on-line while providing a database solution for managing all complaints received by the Auditor General's Office. In addition to being a valuable management tool, the database was necessary to provide the level of reporting requested by the City's Audit Committee. In September 2003, the Fraud and Waste Hotline Program's on-line complaint form and data-management application was implemented allowing timely electronic tracking of complaint activity.

In the context of operating the Hotline Program, the Auditor General's Office continues to receive inquiries from other municipalities in Canada and the U.S. and provides information on establishing and administering a hotline program. In addition, staff has made presentations at a number of fraud-related conferences in relation to the City's Hotline Program.

Hotline Reporting and Data Management Application – City's New Administrative Structure:

The Fraud and Waste Hotline reporting and data management application (used to track complaint activity and compile information for reporting purposes) is maintained by designated audit staff with the on-going support of Information Technology (IT) staff. Modifications and enhancements are generally made to the application, as required, to ensure the integrity and reliability of the data.

The City of Toronto's new administrative structure took effect on April 15, 2005, with implementation of the administrative reorganization continuing throughout the late spring and summer. As a result, changes to the City's Fraud and Waste Hotline reporting and data management application were required. These changes were made in early January 2006, for various reasons including the timing of the reorganization, to ensure the integrity of complaint

data tracked (in 2005) and following our discussions with Information Technology staff. On a go forward basis, we will track and report complaint activity based on the City's new administrative structure.

However, as this report covers the 12-month period from January 1 through to December 31, 2005, it includes data tracked in 2005 based on the City's old administrative structure. As such, we have also included references to City departments (now City divisions, as a result of the City of Toronto new administrative structure).

Forensic Unit – Auditor General's Office:

Due to the ever increasing volume of hotline complaints and associated workload over the last three years, an increase in audit staff resources were being utilized. Various workload issues resulted with audit resources being transferred from audit work to accommodate the increasing number of complaints and the operation of the Hotline Program. Consequently, in July of 2005, a dedicated Forensic Unit was established within the Auditor General's Office. The Unit bears primary responsibility for the operation of the Fraud and Waste Hotline Program and for conducting investigations directed at the detection of fraud, waste and other irregularities involving City resources. These investigations may be broad in scope and may be the subject of City Council or media interest.

Communication Strategies for Hotline Program:

Continued communication of the Hotline Program is essential to its effectiveness.

A formal communication strategy to appropriately promote the permanent Fraud and Waste Hotline Program to City staff, suppliers and the public was developed in consultation with the City's Corporate Communications Division.

Over the last year, we have continued, in consultation with the City's Corporate Communications Division, to enhance the awareness of the Hotline Program to City staff, suppliers and the public. Communication strategies to promote the existence of the permanent Hotline Program have been combined with initiatives to enhance awareness of the City's Fraud Policy.

Communication initiatives employed over the course of this last year have included:

- information in the City's Corporate Newsletter;
- information on the City's Internet/intranet sites;
- display of a Hotline poster – advertising the Hotline telephone number 416-397-STOP;
- e-mail communications reinforcing awareness of the need to display the Hotline poster in all City workplaces and facilities; and

- e-mail communication to departmental and relevant Agencies, Boards and Commissions, management circulating the new on-line questionnaire used by the Auditor General's Office to collect information required for annual reporting purposes.

Marketing and communicating the existence of a hotline should be viewed positively. If marketed effectively, a hotline will convey to employees, the public and anyone doing business with the City that the City of Toronto is committed to ethical conduct and takes the detection, reporting and prevention of fraud or other irregularity seriously.

Disposition of Complaints:

Complaints received by the Auditor General's Office may result in the following dispositions:

- no action;
- investigations;
- referrals to Departments, Agencies, Boards and Commissions;
- referrals to other City hotline program's (including the City's Social Services' hotline that handles complaints regarding social assistance fraud); or
- referrals to outside agencies (Provincial/Federal).

All complaints received are screened by designated staff of the Auditor General's Office and appropriately reviewed and investigated in accordance with internal protocols, procedures and guidelines. The unique circumstances of each complaint require the repeated application of professional judgement to determine what constitutes good practice in a particular case. The disposition of all complaints are reviewed and approved by senior staff in the Auditor General's Office.

Investigations:

Since the Auditor General last reported on the status of fraud and related matters (report dated December 31, 2004) the office has continued to conduct a number of investigations which have involved the collection of evidence related to suspected fraudulent or irregular activity perpetrated by City employees and, in some cases, by external third parties. While the Auditor General takes the lead role in conducting investigations, they are conducted in consultation with appropriate City Legal, Human Resources and departmental staff.

As well, investigations may be coordinated with departmental management staff having regard to the nature of the allegations, management staff's expertise and staff levels. Management staff is often asked to conduct the necessary steps and procedures to compile information as the lead in an investigation, in consultation with the Auditor General's Office, i.e., regarding appropriate investigative steps, or reporting back to the Auditor General on any action taken. Departmental action and investigative findings are reviewed by the Auditor General's Office. Based on this review, a determination is made as to the sufficiency of the information provided and whether additional action is required by a department prior to the Auditor General's Office closing the

complaint. While information regarding disciplinary action taken is tracked by the Auditor General's Office, decisions pertaining to the appropriate level of discipline are the sole responsibility of departmental management.

In some cases, the services of outside investigators have been employed by departments to conduct investigations within a department, again having regard to the nature of the allegations and staff levels.

There have been some instances in which departments have conducted investigations and then subsequently notified the Auditor General of the incident and departmental action taken. We recognize that departments may wish to conduct some preliminary enquiries to confirm suspicions of an irregular incident prior to contacting the Auditor General. However, in accordance with the Fraud Policy, once the department has reason to suspect there has been an irregular incident, then our Office should be notified on a timely basis.

In addition, informal protocols have been established with the City's Internal Audit Division, City Manager's Office, with respect to that Division's investigation of fraud (or other irregularities) referred to them by the Auditor General's Office.

Protocols have also been discussed with the City's Integrity Commissioner in relation to issues of mutual concern and respective responsibilities. Both parties are committed to working together to address issues of concern and meet, as appropriate.

Lastly, in cases where there is sufficient evidence that a crime may have been committed, the Toronto Police Service is contacted. The Auditor General's Office has worked co-operatively with departments and the Toronto Police Service to ensure that evidence is documented to a level that is sufficient to substantiate the laying of charges. Where charges are laid, staff from the Auditor General's Office and City staff has appeared as witnesses at court proceedings.

Referral to Departments, Agencies, Boards and Commissions:

In certain cases, due to the nature of the allegations, complaints are referred to City Departments (now Divisions) with a request that management conduct a review of the allegations and report back to the Auditor General's Office on any action taken within a set time frame. In other less substantive cases, the Auditor General may determine a response from management is not required. All requests for responses are tracked by the Auditor General's Office and follow-up is conducted if responses are outstanding. Each response is reviewed by the Auditor General's Office to ensure that appropriate action has been taken. In circumstances where the Auditor General's Office is not satisfied with the response, additional information or further action is requested.

Complaints referred to departments have included such matters as allegations of unwarranted overtime, allegations of inappropriate hiring practices, irregular benefit claims, unauthorized personal use of City assets (e.g., misuse of Internet) and complaints regarding City services.

Senior staff, including the City Manager, has worked co-operatively with the Auditor General's Office to address concerns brought to their attention.

Summary of Complaints Received – January 1, 2005 through to December 31, 2005:

This report covers a twelve-month period from January 1, 2005 through December 31, 2005.

This report also provides updated information on the status of all 2003 and 2004 complaints previously reported (in terms of total complaint and disposition figures) to the Audit Committee, however, concluded in 2005. Updated information provided includes quantifiable value/recovery figures and internal control weaknesses identified.

The tables below provide a summary of complaints received by the Auditor General's Office during 2005.

Table 1 Source of Complaint

	Jan. 1 to Dec. 31 2005	Jan. 1 to Dec. 31 2004
Fraud and Waste Hotline (416-397-STOP)	184	89
Letters	114	39
On-line Complaint Forms (via Internet)	125	92
Referrals from Departments	32	34
Referrals from Councillors	19	8
Other Sources (i.e., calls/e-mails/faxes, walk ins)	103	85
Total Complaints Received	577†	347
† Additional complaints received close to the 2005 year end may not have been processed until 2006 and will be reported out in next year's annual report.		

From a comparative perspective, there were 347 complaints received for the 12-month period ended December 31, 2004. The number of complaints received by the Auditor General's Office for the 12 month period ending December 31, 2005 was 577, representing a 66 per cent increase in the volume of complaints. In 2004, we reported an approximately 70 per cent increase in complaint activity which had occurred over the previous year (2003).

The continued increase in complaint activity may be attributed to:

- increased awareness of the existence of the Fraud and Waste Hotline;
- action taken by the Auditor General's Office and departments in responding to complaints which indicates to employees and the public that the City treats complaints seriously; and
- media coverage of various incidents

Table 2 Disposition of Complaints

	Jan. 1 to Dec. 31 2005		Jan. 1 to Dec. 31 2004	
	Total	% of Total	Total	% of Total
No Action (Includes not enough information provided, based on preliminary enquiries allegation not actionable)	253	43.8%	120	34.6%
Referrals to Departments (Includes complaints referred to Social Assistance Hotline, complaints referred for information only)	192	33.3%	146	42.1%
Investigations (Includes on-going investigations)	99	17.2%	59	17.0%
Referrals to Internal Audit	7	1.2%	1	0.3%
Referrals to ABCs	3	0.5%	3	0.9%
Referrals to Outside Agencies (Includes Provincial/Federal agencies)	22	3.8%	17	4.9%
Not yet assigned	1	0.2%	1	0.3%
Total	577	100%	347	100%

It should be noted that a complaint is categorized as “No Action” if determined to be:

- additional information regarding an existing complaint;
- duplicate of previous complaint;
- referred for future audit;
- not enough information provided;
- outside the Auditor General’s jurisdiction; and
- other (i.e., complaint not actionable based on preliminary enquiries conducted).

Table 3 Complaint Conclusion

	Jan. 1 to Dec. 31 2005	Jan. 1 to Dec. 31 2004
Substantiated (by both the Department and the Auditor General)	64	41
Unsubstantiated	72	54
Conclusion Not Required	331	220
Conclusion Pending (currently under review, conclusion pending)	110	32
Total	577	347

It should be noted that for a complaint to be closed, a conclusion must be determined. A complaint is categorized as “Conclusion Not Required” if a determination is not made as to whether a complaint is “substantiated” or “unsubstantiated” because:

- no action taken (for reasons described above);
- referred for information only (generally involve departmental services issues with no reporting back to Auditor General);
- referred to Social Assistance Hotline (no reporting back to Auditor General);
- referred to Internal Audit;
- referred to Agencies, Boards and Commissions (no reporting back in most cases); or
- referred to outside agency, i.e., federal or provincial agencies.

Table 3 above provides a total of 110 complaints in 2005 that have a “conclusion pending” (the conclusion had not yet been determined, i.e., substantiated, unsubstantiated). We will report out on the final resolution of these pending items in the Auditor General’s 2006 annual report.

Further, since we last reported, the disposition of nine of the 2004 complaints was subsequently changed to “conclusion pending” as we determined further action was required. Of the complaints in 2004 that had a “conclusion pending”, 16 complaints have been substantiated. In addition, two complaints received in 2003 were concluded in 2005 with one having been substantiated.

Every complaint received, whether it is brought to the Auditor General’s attention through the Hotline Program or otherwise, is dealt with pursuant to the Auditor General’s Office mandate and in accordance with the City of Toronto’s Policy on Fraud and Other Similar Irregularities.

Staff Resources Required to Operate the Fraud and Waste Hotline Program:

Audit staff time employed to operate and administer the Hotline Program includes:

- (1) documenting and monitoring all complaints received;
- (2) performing preliminary enquiries regarding complaints prior to determining appropriate disposition (including referrals to departments or potential investigations);
- (3) making determination as to disposition for all complaints received and action to be taken;
- (4) forwarding complaints to departments for appropriate review and action (includes follow-up with departments as to review conducted and action taken);
- (5) investigating complaints or co-ordinating investigations with departments, as appropriate;
- (6) tracking of complaint activity (from receipt to final disposition);

- (7) reporting out on activity of Hotline Program;
- (8) monitoring/maintenance of Hotline Program's on-line data-management application;
- (9) establishing new procedures, as required, streamlining Hotline Program procedures; and
- (10). co-ordinating the marketing and communication of the Hotline Program.

The total amount of audit staff time utilized on the foregoing activities in 2005 was approximately 6,300 hours representing a significant increase in resources being utilized over the previous year (in 2004 approximately 3,700 hours).

In addition, significant administrative staff resources have been utilized to support the administration of the Hotline Program.

Cost of Operating Fraud and Waste Hotline Program:

Audit Staff Resources:

As previously reported in the Auditor General's 2006 Budget, dated October 19, 2005, activity relating to the Fraud and Waste Hotline has increased significantly since its inception. It was recognized and acknowledged that during its initial phase, the Hotline could be accommodated with existing resources until the extent of activity was determined. In 2005, we added one position to deal with the workload created by the Fraud and Waste Hotline. It is apparent that the significant and high profile projects arising out of this Council initiative warrant additional senior audit staff in order to ensure that issues identified as a result of the Fraud and Waste Hotline are addressed appropriately. For example, many investigations, due to the level of resources, are being referred to Divisions for follow-up rather than being investigated by staff of the Auditor General's Office. In order to maintain the integrity of the Hotline, it is important that investigations, for the most part, are conducted independently.

We have continued to monitor the level of audit resources required to operate the Hotline Program and administer the volume of complaints which increased by 66 per cent over the previous year.

For 2005, approximately the equivalent of five dedicated full-time audit staff were required to operate the Hotline Program and investigate complaints received. This represents an increase of two full-time staff over last year. It is also worth noting that this represents only staff in the Auditor General's Office and in addition to these resources, many departmental resources have been utilized to investigate and respond to complaints received through the Hotline Program.

Due to the increasing volume of hotline complaints and associated workload over the last three years, more staff resources are being utilized. Various workload issues have resulted in audit resources being transferred from audit work to accommodate administration and investigation of the increasing number of complaints.

As a result, in July of 2005, a Forensic Unit was established within the Auditor General's Office. The Unit is dedicated to the operation of the Fraud and Waste Hotline Program and to conducting investigations directed at the detection of fraud, waste and other irregularities involving City resources.

The Forensic Unit operates with four staff, which includes a manager (reporting directly to the Auditor General), a senior audit manager, an audit manager and an auditor. Administrative support for the Unit was accommodated using existing staff resources despite the significant increase in complaint volume and corresponding demand for administrative support. In addition, following the establishment of the separate Unit, workload issues attributed to the continued increase in complaint volume have been compounded by significant and high profile projects over the last year. As a result, additional audit staff resources continue to be transferred from audit work to accommodate the administration of the Hotline Program and provide support to the Unit.

Consequently, the Auditor General has requested two additional audit staff resources as part of the 2006 budget process, with one of the two being assigned to the operation of the Hotline Program in order to accommodate the approximately 66 per cent increase in complaint activity which has occurred over the last year.

As well, with a view to streamlining the administrative complaint intake component, improve the quality of actionable complaint information (i.e., by having live interviewers canvass hotline callers for the appropriate level of information to ensure a complaint is actionable) and reduce the cost associated with using professional audit staff to perform administrative intake duties, the Auditor General's Office is currently considering outsourcing a component of the complaint intake function. We are in the preliminary stages of this process and will consult, as appropriate, with divisional staff, including Legal Services, Purchasing and Materials Management and Information Technology.

Administrative Staff Resources:

As previously mentioned, a significant amount of administrative staff resources have also been utilized to support the administration of the Hotline Program. The Auditor General's Office has continued to absorb the additional administrative workload since the permanent establishment of the Hotline Program in 2002. However, this has created various workload issues as the increasing number of hotline complaints has resulted in administrative staff resources being transferred from audit related work and other duties to accommodate the Hotline Program. As such, we will be considering additional funding during the 2007 budget process towards additional administrative resources subject to determining the impact of any outsourcing on these requirements.

Benefits of the Fraud and Waste Hotline Program:

Our research continues to indicate that tips or complaints received by an organization remain the most common means of detecting fraud, while anonymous reporting mechanisms have shown the greatest impact on limiting fraud losses (by increasing the likelihood of incidents being reported and detected).

The City's Hotline Program has provided several benefits. One of the key benefits of the permanent Fraud and Waste Hotline Program is that complaints received have resulted in actions that have reduced losses attributed to incidents of fraud, waste or other irregularities by terminating substantiated incidences, and by strengthening controls to reduce the risk of future losses. Even when a finding of fraud or irregularity is not substantiated, investigations conducted have identified areas where internal controls need to be strengthened (to improve City operations) or better protection of City resources. Research also indicates that a further benefit of operating a hotline is that it may assist in deterring irregular conduct by increasing the perception of being detected.

Impact of Fraud and Waste Hotline Program – Management Initiatives:

Information from reviews and investigations of hotline complaints has also promoted and enhanced accountability for the management and utilization of City resources while in some cases highlighting the need for making needed policy and administrative changes. In response to hotline complaints being reviewed or investigated and previous audit recommendations made by the Auditor General's Office, the City Manager's Office has taken a number of initiatives.

We acknowledge the various management initiatives, over the last year, which have also contributed to reinforcing the City's ethical tone including:

- (a) new City policy for acceptable use of information technology resources outlining proper use of resources including computers, internet access and e-mail;
- (b) formal communication to City staff of workplace expectations including: adhering to assigned rest period times, reporting to and being ready for work at scheduled times and not spending excessive periods of time at non-work locations;
- (c) development and communication of guidelines designed to improve contract management by the City's administration and ensure contracts are properly managed (a contract management improvement project was approved in 2004 to oversee this initiative); and
- (d) development of divisional action plans to identify and address risks each division is most susceptible to with a view to taking action to prevent and detect inappropriate behaviour. Internal Audit is currently in the process of assessing the adequacy of these divisional action plans.

Savings – Recoveries – Internal Control Weaknesses:

We have previously reported the estimated savings and recoveries as a result of the Hotline Program and associated investigations as being in the range of \$500,000.00 (a cumulative total, reported during the 2004 and 2005 budget processes, up to the period ending December 31, 2003).

The estimated \$500,000.00 savings was recently reported to the Audit Committee in the Auditor General's Annual Report and 2005 Budget document, dated October 29, 2004. The reported savings were the result of identifying excessive overtime, consulting expenses and inappropriate disbursements and grant payments, etc.

As further reported, the City's forensic audit section of the external auditors, Ernst & Young, had advised us that their estimate of the amount of savings would be significantly greater than the \$500,000.00 identified, taking into account that if the irregular activity had not been identified the extent of the loss to the City may have continued for a significant period of time.

In a report entitled "Auditor General's Audit Reports – Benefits to the City of Toronto" the Auditor General provided further information on potential future savings to the City, including those attributed to the review of fraud related matters, to the Audit Committee at its meeting of January 17, 2005.

The following tables summarize the total quantifiable values/recoveries associated with complaint activity and the number of complaints in which internal control weaknesses were identified and associated operational changes made for the report period covered by this report (for complaints concluded in 2005):

Table 4 – A 2005 Substantiated Complaints (Actual Loss)

Substantiated Complaints	Jan. 1 to Dec. 31 2005	Jan. 1 to Dec. 31 2004
Total Quantifiable Value (actual loss)	\$346,063	\$213,019
Total Recovery	\$224,481	\$80,860
Internal Control Weaknesses Identified	22	21
Operational Changes Made by Department	22	21

The foregoing table provides a total for 2005 complaints identified as having resulted in an actual loss of funds to the City of Toronto.

Table 4 – B 2005 Substantiated Complaints (At Risk Funds)

Substantiated Complaints	Jan. 1 to Dec. 31 2005
Total Quantifiable Value (at risk)	\$394, 117
Internal Control Weaknesses Identified	1
Operational Changes Made by Department	1

The foregoing table provides a total for 2005 complaints identified as having placed City funds "at risk" and but for detection, the irregular activity may have continued and resulted in an actual loss of funds to the City.

Table 4 – C Substantiated Complaints – 2003/2004 Concluded in 2005

Substantiated Complaints	Jan. 1 to Dec. 31 2004	Jan. 1 to Dec. 31 2003
Total Quantifiable Value (actual loss)	\$166,304 †	\$2,860
Total Recovery	\$155,440	0
Internal Control Weaknesses Identified	6	0
Operational Changes Made by Department	6	0
† Includes values for complaints received in 2004 and substantiated in 2005.		

The foregoing table provides a total for previous years' complaints substantiated in 2005 and identified as having resulted in an actual loss of funds to the City of Toronto. It should be noted that we previously reported approximately \$75,000.00 of the 2004 value in last year's annual report.

Referral to Departments – Complaint Highlights:

Complaints referred to departments and subsequently substantiated within the report period included the following City Departments, Agencies, Boards and Commissions:

Table 5 Substantiated Complaints - Areas Affected
(January 1, 2005 to December 31, 2005)

Department or ABC	Division
Chief Administrator's Office	Internal Audit
Community and Neighbourhood Services	Children's Services Homes for the Aged Public Health Shelter Housing and Support Social Services Toronto Public Library
Corporate Services	Facilities and Real Estate Fleet Management Services Human Resources Information and Technology
Economic Development Culture and Tourism	Administrative Support Services Parks and Recreation Special Events
Finance	Accounting Services Purchasing and Materials Management Revenue Services
Toronto Police Service	Parking Tag Operations

Toronto Zoo	Membership Office Retail and Rides
Urban Development Services	Building Municipal Licensing and Standards
Works and Emergency Services	Emergency Medical Services Solid Waste Services Support Services Technical Services Transportation Services Water and Waste Water Services

In addition to the foregoing, in mid-December 2005, the Auditor General became aware of an internal incident involving an alleged contravention of the City's Acceptable Use Policy. The investigation into this matter began in late December and had not yet been concluded at the time of writing this report. As a result, the disposition and details of this investigation will be reported out in 2006. The Auditor General has discussed this matter with the Chair of the Audit Committee and the City Manager.

The nature of substantiated complaints referred to the foregoing departments has been summarized below as follows:

Table 6 Substantiated Complaints - Nature of Complaints

Nature of Substantiated Complaints	Allegations, which include:
Conflict of Interest	City employment being used to secure benefit from vendor
Fraud	City cheques are being fraudulently altered and cashed by third parties
Human Resource	Inappropriate hiring practices
Improper Employee Conduct	Employees being impaired or participating in illegal activities
Inappropriate Use of Corporate Resources	Inappropriate use of City computers and cell phones
Irregular Benefit Claims	Abuse of sick time and other benefits
Irregular Employee Work Hours	False attendance records, extended breaks and inappropriate business hours
Irregular Purchasing	Activities contrary to City purchasing policies
Loss of City Revenue	Revenue owed to the City not being collected
Waste	Inappropriate use of City water from hydrants, and malfunctioning street lights

The Auditor General has consulted with the City Solicitor who advises that any details of the investigations undertaken by the Auditor General's Office ought to be discussed in camera, as they pertain to potential or actual litigation matters, pursuant to the provisions of the Municipal Act and Council's Procedural By-law.

Conclusions:

The most cost-effective way to deal with fraud or irregularities involving City resources is to prevent it.

All City of Toronto staff has a responsibility to report improper activity involving City resources, pursuant to the City's Fraud Policy. The Auditor General's Office continues to work with the City Manager and Division Heads to increase the level of awareness among City employees with respect to the identification and reporting of fraud and other improprieties involving City resources.

While the Auditor General takes the lead role in conducting investigations, they are conducted in consultation with appropriate City Legal, Human Resources and divisional staff. As well, investigations may be coordinated with divisional management staff having regard to the nature of the allegations, management staff's expertise and staff levels. Management staff may be asked to conduct the necessary steps and procedures to compile information as the lead in an investigation, in consultation with the Auditor General's Office, reporting back to the Auditor General on any action taken.

The primary responsibility for maintaining appropriate internal controls to prevent and detect fraud or other irregularity involving City resources remains with divisional management. In particular, appropriate and adequate supervision is an important component of administrative internal control.

As well, while information regarding disciplinary action taken is tracked by the Auditor General's Office, decisions pertaining to the appropriate level of discipline are the sole responsibility of divisional management.

Complaint activity relating to the Fraud and Waste Hotline Program has increased significantly since its inception. We have continued to monitor the level of audit resources required to operate the Hotline Program and administer the volume of complaints.

For 2005, approximately the equivalent of five dedicated full-time staff was required to operate the Hotline Program and investigate complaints received. This represents an increase of two full-time staff over last year.

In July of 2005, a Forensic Unit was established within the Auditor General's Office. The Unit is dedicated to the operation of the Fraud and Waste Hotline Program and for conducting investigations directed at the detection of fraud, waste and other irregularities involving City resources. Administrative support for the Unit was accommodated using existing staff resources despite the significant increase in complaint volume and corresponding demand for administrative support. Following the establishment of the separate Unit, continued increase in complaint volume has been compounded by significant and high profile projects over the last

year. As a result, additional audit staff resources continue to be transferred from audit work to accommodate the administration of the Hotline Program and provide support to the Unit.

Consequently, the Auditor General has requested two additional audit staff resources as part of the 2006 budget process, with one of the two being assigned to the operation the Hotline Program in order to accommodate the approximately 66 per cent increase in complaint activity which has occurred over the last year. As well, we will be considering additional funding during the 2007 budget process towards additional administrative resources.

With a view to streamlining the administrative complaint intake component, improve the quality of actionable complaint information (i.e., by having live interviewers canvass hotline callers for appropriate information to ensure a complaint is actionable) and reduce the cost associated with using professional audit staff to perform administrative intake duties, the Auditor General's Office is currently considering outsourcing a component of the complaint intake function to a service provider.

We are currently in the preliminary stages of this process and anticipate meeting with appropriate divisional staff to discuss same, including Legal Services, Purchasing and Materials Management and Information Technology.

Contact:

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The Policy and Finance also submits the communication (February 27, 2006) from the Audit Committee entitled "Responses to Telecommunications Services Review: Management Response and Work Plan – Status Update":

Recommendation:

The Audit Committee recommends to the Policy and Finance Committee that City Council consider holding up approval of the 2006 Operating Budget requests for the following Agencies, Boards and Commissions until such time that they submit a response to City Council's outstanding request regarding Telecommunications Services Review:

Enwave District Energy Limited
Toronto Economic Development Corporation
Toronto Hydro Corporation
Toronto Community Housing Corporation

Action taken by the Committee:

The Audit Committee received the following for information:

- communication (September 27, 2005) from Vincent Rodo, General Secretary, Toronto Transit Commission;
- communication (February 6, 2006) from Calvin J. White, Chief Executive Officer, Toronto Zoo;
- report (February 9, 2006) from the City Clerk; and
- communication (February 21, 2006) from Maurice J. Anderson, President, Toronto Parking Authority.

Background:

At its meeting on February 22, 2006, the Audit Committee had before it the above noted communications and staff report from the City Clerk and Clause 2 of Report 2 of the Audit Committee, titled "Telecommunications Services Review", which was adopted by City Council on April 12, 13 and 14, 2005.

The City Clerk's Office, since the Audit Committee Meeting on February 22, 2006, received responses (October 25, 2005) from the City Librarian, Toronto Public Library Board and (February 23, 2006) from Dianne Young, General Manager and CEO, Exhibition Place. Copies are attached.

(Report dated February 9, 2006, addressed to the
Audit Committee from the City Clerk entitled "Responses from
Agencies, Boards and Commissions to the
Telecommunications Services Review)

Purpose:

To provide the Audit Committee with an indication of the responses received from Agencies, Boards and Commissions (ABCs) to City Council's request regarding Telecommunications Services Review.

Financial Implications and Impact Statement:

There are no financial implications to this report.

Recommendation:

That this report be received for information.

Background:

City Council, at its meeting on November 30, December 1 and 2, 2004, adopted a Protocol which set out a formal process to ensure that when a response to an Audit report is required by Agencies, Boards and Commissions, all responses be co-ordinated by the City Clerk and

forwarded to the Audit Committee. The Protocol also directed that copies of responses be forwarded to the Auditor General prior to the Audit Committee meeting and that when responses have not been received, the City Clerk be required to report to the Audit Committee on this matter.

This report is in keeping with the Protocol to identify those Agencies, Boards and Commissions that have not responded to the Telecommunications Services Review.

Comments:

On April 12, 13 and 14, 2005, City Council adopted Clause 2 of Report 2 of the Audit Committee, headed “Telecommunications Services Review” and, in part, directed that the report dated January 31, 2005 from the Auditor General contained in this clause be forwarded to the major Agencies, Boards and Commissions with a request that these entities review the recommendations in this report to determine whether or not they have relevance to their operations, and report to the November 2, 2005 meeting of the Audit Committee on the results of their review, including any action taken or proposed.

On May 16, 2005, staff forwarded City Council’s action to the following Agencies, Boards and Commissions:

Toronto Parking Authority;
Enwave District Energy Limited;
Toronto Transit Commission;
Toronto Economic Development Corporation;
Toronto Hydro Corporation;
Exhibition Place;
Toronto Community Housing Corporation;
Toronto Zoo; and
Toronto Public Library Board.

For its meeting on November 2, 2005, the City Clerk reported to the Audit Committee on the level of responses from the Agencies, Boards and Commissions to Council’s request. At that meeting, the Audit Committee decided to request Councillor Holyday, Chair of Audit Committee, to write to those ABCs that had not responded to Council’s request and ask them to report to the February 22, 2006 Audit Committee meeting.

Responses have now been received from the following ABCs and are included on the Audit Committee agenda:

The Toronto Transit Commission; and
Toronto Zoo.

Responses are still outstanding from the following ABCs:

Toronto Parking Authority;
Enwave District Energy Limited;
Toronto Economic Development Corporation;

Toronto Hydro Corporation;
Exhibition Place;
Toronto Community Housing Corporation; and
Toronto Public Library Board.

Contact:

Christine Archibald, Committee Administrator,
Secretariat, City Clerk's Office,
Phone: (416) 392 6992, Fax: (416) 392 2980;
e-mail: carchiba@toronto.ca

The Policy and Finance Committee also submits the communication (February 27, 2006) from the Board of Health entitled "Ontario Heart Health Partnership Year-End Funding for Active Living and Healthy Eating":

Recommendations:

The Board of Health recommended to the Policy and Finance Committee that the Policy and Finance Committee adopt the staff recommendations in the Recommendations Section of the report (February 13, 2006) from the Medical Officer of Health, as follows:

- (1) an amount of \$79,396.00 gross expenditure and \$79,396.00 revenue be added to the 2006 Toronto Public Health Operating Budget for enhancement of nutrition and physical activity programming for children and youth;
- (2) this report be forwarded directly to the Policy and Finance Committee meeting scheduled for February 28, 2006, due to time constraints for the use of the funding; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The Board of Health on February 27, 2006, considered the report (February 13, 2006) from the Medical Officer of Health, informing the Board of Health of the receipt of Ministry of Health Promotion funding to support and enhance community-based programming related to active living and healthy eating and to seek approval for an amendment to the Toronto Public Health 2006 Operating Budget with respect to this funding.

Recommendations:

It is recommended that:

- (1) an amount of \$79,396.00 gross expenditure and \$79,396.00 revenue be added to the 2006 Toronto Public Health Operating Budget for enhancement of nutrition and physical activity programming for children and youth; and

- (2) this report be forwarded directly to the Policy and Finance Committee meeting scheduled for February 28, 2006 due to time constraints for the use of the funding; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

(Report dated February 13, 2006, addressed to the
Board of Health from the Medical Officer of Health)

Purpose:

The purpose of this report is to inform the Board of Health of the receipt of Ministry of Health Promotion funding to support and enhance community-based programming related to active living and healthy eating and to seek approval for an amendment to the Toronto Public Health 2006 Operating Budget with respect to this funding.

Financial Implications and Impact Statement:

Toronto Public Health has received approval for a one-time funding enhancement of \$79,396.00 through the Ministry of Health Promotion. This funding is intended to support community-based programming specifically targeted to children and youth and focused on nutrition and/or physical activity.

Approval of this one-time funding opportunity will increase the 2006 Proposed Operating Budget for Toronto Public Health by \$79,396.00 gross and \$0 net.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) an amount of \$79,396.00 gross expenditure and \$79,396.00 revenue be added to the 2006 Toronto Public Health Operating Budget for enhancement of nutrition and physical activity programming for children and youth; and
- (2) this report be forwarded directly to the Policy and Finance Committee meeting scheduled for February 28, 2006, due to time constraints for the use of the funding; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In the fall of 2004, Ontario's Chief Medical Officer of Health released a report entitled Healthy Weights, Healthy Lives, calling on all levels of government, the health care system, communities and individuals to take action on Ontario's obesity "epidemic". The report highlighted the increase in obesity among children, youth and adults and the resulting increase in Type-2 diabetes and other related health problems. Programming was shown to be needed in the children and youth populations with an emphasis on maintaining healthy weights and preventing obesity through a balance of healthy eating and physical activity. Toronto Public Health has a number of activities underway that focus on promoting healthy eating and physical activity for children and youth in school and community settings. Among these activities is a well developed Healthy Measures Initiative which focuses on the promotion and integration of consistent healthy weights messages into the practice of service providers including those working with young children. Other activities include incorporating healthy weights messages into the health curriculum of elementary and secondary schools and physical activity initiatives designed to enhance the daily physical activity mandate of all elementary schools in the City of Toronto.

Comments:

The mandate of Toronto Public Health includes health promotion and disease prevention with the focus on priority populations and neighbourhoods. This one-time funding enhancement opportunity will provide the resources to reach priority populations through the translation of physical activity guides for parents with young children in four different languages (e.g. Farsi, Tamil, Chinese and Spanish); and through targeted outreach to children and youth and their families in community and educational settings. Toronto Public Health is well positioned to integrate both the healthy eating and physical activity messages through its Chronic Disease Prevention framework adopted in 2005.

Conclusion:

Community-based programming enhancements specifically targeted to children and youth in the areas of nutrition and physical activity will contribute to the on-going commitment Toronto Public Health has to reducing chronic diseases. This funding provides an excellent opportunity to enhance existing programming through the creation of new resources to reach priority populations identified by Toronto Public Health.

Contacts:

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Toronto Public Health, Tel: (416) 338-7550, Fax: (416) 338-6299;
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Toronto Public Health, Tel: (416) 392-1355, Fax: (416) 392-0713;
e-mail: ctimming@toronto.ca

The Policy and Finance Committee also submits the communication (February 23, 2006) from Councillor Gay Cowbourne, Chair, Roundtable on Seniors entitled “Toronto Seniors Forum, 2006 City Budget Recommendations”:

Attached please find a decision from the February 21, 2006, meeting of the Roundtable on Seniors, to be considered at the February 28, 2006, meeting of the Policy and Finance Committee.

Thank you for your attention herein.

(Communication dated February 22, 2006, addressed to
Councillor Gay Cowbourne from the Roundtable on Seniors)

The Roundtable on Seniors on February 21, 2006, requested the Chair to forward the following suggestion to the Policy and Finance Committee for consideration during the 2006 budget process:

The Roundtable on Seniors supports the advocacy and outreach efforts of the Toronto Seniors Forum during the 2006 budget debate and suggests that the following recommendations outlined in their presentation be referred to the appropriate City Divisions for their information:

“(1) Seniors’ Financial Resources/Costs/Fees/Access issues

- Adequately fund translation services according to demographics (i.e. largest language groups) (All Divisions);
- Lower the cost of the seniors TTC fares/pass (TTC);
- Increase the availability of transportation for non-medical appointments on wheeltrans (TTC);
- Provide recreation programming without fees (Parks, Forestry and Recreation);
- Reduce the fees for seniors groups providing programming in recreation centres (Parks, Forestry and Recreation);

(2) Housing and Accommodation/Long Term Care

- Increase affordable housing for seniors with targets to reduce waiting time from the current 10 years to 7 years in 2006, 5 years in 2007, 3 years in 2008 and one year or less in 2009 (TCHC and Homes for the Aged);
- Increase efforts to modify, restore and repair existing properties. (TCHC);
- Increase the available stock of barrier free housing (TCHC and Homes for the Aged);
- Increase the number of long term care homes with a goal of 2 new homes in 06/07 (Homes for the Aged);
- Ensure that long term care services are provided in a culturally sensitive manner (Homes for the Aged);

(3) Individual Health Environment, Community and Culturally Sensitive Services

- Provide a full range of dental care for low income seniors (Public Health);
- Review and raise the current financial cut off for access to subsidized dental care (Public Health);

(4) Safety, Security and Legal Protection

- Increase the Toronto Police Service program to educate seniors about telephone and other types of fraud (TPS);
- Increase community programs that encourage communities and neighbours to watch out for seniors (TPS);
- Increase the oversized street sign program (Transportation services);

(5) Participation and Leadership/Advocacy

- Increase opportunities for senior participation and advocacy through initiatives such as the Toronto Seniors Forum (SDFA);
- Increase leadership/advocacy training opportunities for seniors (SDFA);
- Encourage seniors to volunteer in their communities (SDFA); and

That the Ministry of Health move more financial resources into community health programs and further make seniors' health programs part of the mandatory programs that they require the city to provide. The province needs to fund these programs 100 percent."

Background:

At its meeting on February 21, 2006, the Roundtable on Seniors considered a presentation by Neville Gordon, on behalf of the Toronto Seniors Forum. A copy of the presentation was circulated at the meeting.

The Policy and Finance Committee also submits the report (February 6, 2006) from the Chair, Toronto Police Services Board entitled "Toronto Police Service – 2006 Operating Budget Submission as at December 15, 2005":

Purpose:

The purpose of this report is to provide the Policy and Finance Committee with information on the 2006 operating budget submission for the Toronto Police Service as at December 15, 2005. The 2006 operating budget submission continues to be considered through the Budget Advisory Committee.

Financial Implications and Impact Statement:

There are no financial implications in regard to the receipt of this report.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

Background:

At its meeting held on December 15, 2005, the Toronto Police Services Board was in receipt of a report, dated November 28, 2005, from the Chief of Police and a report, dated December 07, 2005, from the Chair, Police Services Board, with regard to the 2006 Operating Budget submission for the Toronto Police Service.

Comments:

Mr. John Sewell, Toronto Police Accountability Coalition, was in attendance and provided a deputation to the Board. Mr. Sewell also provided a written submission; copy on file in the Board office.

Mr. Angelo Cristofaro, Director of Finance and Administration, was in attendance and delivered a presentation to the Board on the Service's 2006 Operating Budget Submission.

The Board approved the following Motions, that:

- (1) with regard to the November 28, 2005 report from Chief Blair:
 - (i) recommendation no. 1 be approved with the following amendment: the Board approve a preliminary 2006 net operating budget submission of \$753.1M; and
 - (ii) recommendation nos. 2 and 3 be approved;
- (2) the Board approve the December 07, 2005 report from Chair Mukherjee;
- (3) Chief Blair analyze the policing cost per household in Toronto as a proportion of property taxes and compare it to surrounding GTA municipalities using a specific benchmark (e.g. the Ontario Municipal CAO's Benchmarking Initiative) and, if feasible, identify where further cost efficiencies are possible based on the comparison, in order to receive a better return on the dollar;
- (4) Chief Blair provide the results of the review noted in Motion No. 3 in a report to the Board;
- (5) the Board receive Mr. Sewell's deputation and refer his written submission to Chief Blair for a response with regard to the quotations Mr. Sewell obtained from the 2005 Environmental Scan indicating that the average length of time spent by a police officer on calls related to property damage collisions and personal injury collisions has increased substantially since 1996; and
- (6) the reports noted in Motions 4 and 5 be provided to the Board for its January 11, 2006 meeting.

Conclusion:

A copy of Board Minute No. P381/05, in the form attached as Appendix “A” to this report, regarding this matter is provided for information.

Contact:

Chief of Police William Blair
Toronto Police Service
Telephone no. 416-808-8000
Fax. No. 416-808-8002.

Attachment: Appendix A- Board Minute No. P381/05

a: 2006tpsopbudget.doc

Appendix “A”

This is an Extract from the Minutes of the Public Meeting of the
Toronto Police Services Board Held on December 15, 2005

#P381. Toronto Police Service: 2006 Operating Budget Submission

The Board was in receipt of the following report November 28, 2005 from William Blair, Chief of Police entitled “2006 Operating Budget Submission for the Toronto Police Service

Recommendation:

It is recommended that:

- (1) the Board approve a 2006 net Operating Budget submission of \$753.1M;
- (2) the Board approve a revised Uniform staffing target of 5,510 (which represents an increase of 54 over the current approved target of 5,456) and the 54 additional officers along with the 196 approved in 2005 for a total of 250 to be hired under the Safer Communities – 1,000 Officer Partnership Program; and
- (3) the Board forward a copy of this report to the City’s Deputy City Manager and Chief Financial Officer, and to the City Policy and Finance (P&F) Committee.

Background:

The following report provides an overall summary of the 2006 operating budget process and submission followed by details of the significant components of the budget request.

2006 Operating Budget Process and Summary of Request:

The Toronto Police Services Board is responsible for overseeing the efficient and effective delivery of police services delivered by the TPS. In light of on-going budget constraints, the 2006 Operating Budget of the TPS was developed to allow the Board to achieve this objective with the minimum amount of resources. The development of the Service's 2006 Operating Budget has taken into consideration the 2005 experience, current pressures facing the Service and the Service's 2002 – 2006 Priorities.

In developing the 2006 budget, the Service reallocated costs and deferred expenditures wherever possible to cover financial pressures. In addition, efficiencies and cost-recovery opportunities (within the constraints of the Municipal Act) have been maximised to assist in alleviating budget pressures.

The Service undertakes a rigorous budget development process to ensure that the budget request is fiscally responsible while addressing the service demands faced by the TPS in the coming year. The 2006 requirements have been scrutinised by the respective Command areas, followed by a comprehensive review undertaken by the full Command to ensure that a corporate perspective was applied to the process. This process resulted in a preliminary operating budget request of \$756.6M.

In addition to the Service's budget review process, and consistent with previous years, the Board's Budget Sub-Committee (BSC) undertook a lengthy, detailed, line-by-line program review of the budget. The BSC is comprised of Board Members, two Councillors from the City's Budget Advisory Committee designated to review the TPS budget, City staff and TPS staff. The BSC review spanned 9 meetings (approximately 30 hours) and generated requests for written responses to 110 questions. The BSC review focussed on cost saving measures, efficiency opportunities through staff utilisation and organisational structure and business process changes that could result in savings. From the discussions and questions raised at the BSC meetings, some immediate actions were possible to reduce the 2006 budget request while other strategies require further review and may result in impacts in the mid to long term range.

My Command team and I reviewed the issues raised by the BSC. As a result of this review and more current information provided by my finance staff, I was able to identify reductions of \$3.5M to the preliminary 2006 budget request of \$756.6M, resulting in the current request of \$753.1M.

The Service's operating budget is 93 percent salaries and benefits and of the remaining 7 percent only 2 percent (\$10M) is considered "non-fixed"; however this \$10M is used for office supplies, training, repairs, etc. Therefore, further budget reductions in the coming year (without concurrent service level reductions) are not feasible. However, I am committed to reviewing the Service's structure and business processes with a view to identifying efficiencies in future years.

The recently negotiated contract agreements have resulted in an impact of \$22.5M for 2006 with a further estimated impact of \$22.8M in 2007. Salary settlements (and their impact on employer contributions) have significant impact on the Service's operating budget and given the composition of the budget it is extremely difficult to absorb these impacts.

The previous working agreements expired on December 31, 2004. As a result of the negotiated settlements for the years 2005 to 2007, there is an impact on the 2005 approved budget as well as the 2006 budget. The 2005 approved budget, as per City of Toronto guidelines, will be adjusted for the total 2005 impact of the negotiated settlements and this will serve as the adjusted approved base budget going into 2006. Therefore, all comparisons from the 2006 request will be made against the 2005 adjusted base. The impact of the 2006 negotiated settlements is considered part of the 2006 base requirements.

The 2006 net operating budget request of \$753.1M is summarised below and details are provided in subsequent sections of the report.

2005 Approved Budget		\$693.4M
Add: 2005 Collective Agreement Impact		<u>22.7M</u>
2005 Adjusted Approved Budget		\$716.1M
Base Increases over 2005 Budget		37.7M
Total Reductions		(3.5M)
2006 Base Budget		\$750.3M
Requests Above Base		<u>\$2.8M</u>
Total 2006 Net Budget Submission		\$753.1M

The 2006 net request of \$753.1M represents an increase of \$37M (5 percent) over the adjusted 2005 budget. Included in the increase is \$22.5M (3 percent) for the negotiated contract settlements, \$2.8M (0.4 percent) of new initiatives and \$11.7M (1.6 percent) of mandatory increases for annualisation, contractual impacts, etc.

2006 Operating Budget Submission Details:

The following sections provide details of the budget development, assumptions utilised and explanations of the increases. Reductions made in various areas of the budget will be highlighted in their respective sections.

The Service's operating budget is developed at the individual cost centre level using both a zero-based and historical spending approach. The zero-based method is used for the majority of the salaries and benefits as well as equipment and significant accounts. The historical spending approach is used for the day-to-day accounts such as office supplies, repairs, etc. The preparation of the budget is divided into two components; the base budget (i.e. the cost of delivering the 2005 level of service in 2006) and requests above the base (i.e. new initiatives). In developing the 2006 base budget the following assumptions were utilised.

- (i) annualisation of salary costs and any other decisions that had a part-year impact in 2005 and a complete year impact in 2006;
- (ii) 2005 and 2006 impacts of negotiated salary settlements (including employer contributions);
- (iii) expected benefit increases (not related to the salary settlements);
- (iv) legislated/mandatory costs imposed by external agencies;
- (v) economic factors, such as inflationary costs; and
- (vi) previously-identified impacts from Capital.

The Service has also included two requests above the base (i.e. new initiatives) for 2006: the Safer Communities – 1,000 Officers Partnership Program and the security impacts of projects Pathfinder and Impact.

The table below summarises the 2006 budget request by category, followed by explanations of each category.

2005 Approved Budget		\$693.4M
Add: 2005 Collective Agreement Impact (incl. employer contributions)		<u>22.7M</u>
2005 Adjusted Approved Budget		\$716.1M
Increases over 2005 Budget:		
(a) 2006 Collective Agreement Impact (incl. employer contributions)	\$22.5M	
(b) Human Resources Impact	\$5.0M	
(c) Fringe Benefits Impact (not related to salary settlements)	\$6.3M	
(d) Other Significant Changes	\$0.4M	
Total Base Budget Increase		\$34.2M
(e) Requests Above Base Budget		<u>\$2.8M</u>
Total 2006 Net Budget Request		\$753.1M

- (a) 2006 Collective Agreement Impact – including Employer Contributions (Increase of \$22.5M)

The 2006 base budget includes the impact of the second year of the three-year (2005-2007) negotiated collective agreements. The total impact for 2006 is estimated at \$22.5M. A further impact of \$22.8M is anticipated in 2007, in the final year of the three-year contract.

- (b) Human Resources Impact (Increase of \$5.0M)

Originally, a human resources budget impact of \$6.7M was identified to the BSC; this impact has now been reduced by \$1.7, down to \$5.0M. The \$1.7M reduction was achieved based on current initiatives being developed for premium pay, a reduction in alternate rate that will be achieved through the implementation of guidelines or criteria for acting assignments and a revised estimate of salary amounts based on more current information.

The Human Resource Strategy for the period of 2005-2009 was submitted to the Board at its meeting of February 10, 2005 (BM #P39/05 refers). A report updating the strategy for the next five-year period, based on current experience, will be submitted to the Board in conjunction with this report. The 2006 base budget reflects the revised Human Resource Strategy.

Uniform Staffing:

Subsequent to the City amalgamation in 1998, City Council approved a Uniform staffing target of 5,261 and provided specific instructions through the City Budget Advisory Committee that the Service would be funded to this level in future years. This target has since been revised for

civilianisation initiatives by the Service, Board-approved changes (e.g. amalgamation of 21 and 22 Divisions, addition of new 43 Division), and Council-approved programs (e.g. Anti-Gang Unit).

The 2005 Uniform staffing target, approved by the Board is 5,456 (Board Minute #P313/05 refers). This target includes the addition of 150 uniform officers under the Safer Communities – 1,000 Officers Partnership Program. As these additional officers represent additional service, the cost associated with these officers is an above base request that is detailed in the section of this report explaining the grant program. The base request, therefore, includes the cost of maintaining a uniform staffing target of 5,306 (5,456 – 150). Additional details are also contained in the report being submitted separately on the Human Resources Strategy for 2006 to 2010.

It is the goal of the Service to sustain the deployment target level of uniform officers on an on-going basis. To this end, the Service is aggressively pursuing a deployed target strength of 5,306 in 2006 for Uniform staff, excluding the officers under the Safer Communities – 1,000 Officers Partnership Program. As a result, the Service is planning on hiring 201 replacement officers in 2006 based on estimated retirements and resignations of 200 officers.

Uniform staffing impacts on the 2006 budget are comprised of several items, including the impact of uniform officer replacements and separations (2005 annualized impacts and 2006 impacts), and the impact of reclassifications (2005 annualized impact and 2006 part-year impact).

A net increase of \$2.1M in the base budget is required to maintain the current level of service, as it allows the Service to sustain the deployment target level of uniform officers, excluding additional staff under the Safer Communities – 1,000 Officers Partnership Program.

Civilian Staffing:

Civilian staffing impacts on the 2006 budget are comprised of several items, including the annualized impact of Civilian hires approved in 2005 (Ferguson, Major Case Management, 43 Division and additional court officers), which totals \$1.4M and the impact of increments, elimination of a Civilian hiring freeze and restructuring costs totalling \$1.5M. The total impact of Civilian staffing on the 2006 budget is \$2.9M.

(c) Fringe Benefits Impact – not related to salary settlements (Increase of \$6.3M)

The impact of fringe benefit increases on the budget was originally identified to the BSC as \$7.0M. This impact has been reduced by \$0.7M to \$6.3M. The reductions have been made based on more current benefit projections for medical and dental costs and a Workers Safety Insurance Board rate reduction.

Based on the past five years' experience, medical claims for TPS have increased by an average of 10 percent per year and dental claims have increased by an average of 6 percent per year. Increases are caused by fee, cost and volume increases. Administrative charges levied by the insurance carrier are a direct function of the medical and dental claims. Applying the average

percentage increases to the projected actual expenditures for 2005 resulted in a total increase of \$1.2M for medical and dental and administrative costs in 2006.

In addition to the increase in the above benefits, OMERS will be increasing contribution rates on all its members effective January 1, 2006 resulting in a \$4.2M budget increase in 2006. A further increase in various other benefit accounts (e.g. Employment Insurance and Canada Pension Plan) amounts to \$0.9M.

(d) Other Significant Changes (Increase of \$0.4M)

In addition to the expenditures noted above, the Service has a myriad of accounts required to maintain on-going operations. Expenditures in these accounts include front-line equipment, contractual expenditures, impact from Capital, City chargebacks, revenue/recoveries and other administrative costs. These accounts can vary from year to year. The original estimated increase for these accounts was identified to the BSC at \$1.5M; after reductions of \$1.1M, this increase now totals \$0.4M.

The 2006 base budget increase of \$0.4 M in this category includes:

	Original	Revised
(i) Contribution to vehicle and equipment reserve	\$1.7M	\$1.7M
(ii) City chargeback – cleaning/utilities	\$0.8M	\$0.8M
(iii) Gasoline	\$1.2M	\$0.9M
(iv) Lease, computer equipment	(\$2.6M)	(\$2.6M)
(v) Net other	<u>\$0.4M</u>	<u>(\$0.4M)</u>
	\$1.5M	\$0.4M

(i) Contribution to Vehicle and Equipment Reserve:

Prior to 2003, the Service contributed \$4.9M annually and drew out \$4.9M annually from the City's Vehicle and Equipment Reserve. To further assist with the 2003 budget pressures, the Service removed the \$4.9M contribution from the 2003 operating budget and used 2003 OMERS Type 3 surplus in the amount of \$4.9M to purchase vehicles. However, in order to ensure that vehicles purchased are replaced as per the lifecycle plan, the contributions to the Reserve would be required to commence in 2004 at 1/3 of the purchase amount (depreciation value), and continue building up each year to the full amount of \$5.1M by 2006. 2006 represents the final year of the increase to the full amount; as a result, the 2006 pressure is an increase of \$1.7M.

(ii) City chargeback – cleaning/utilities:

The City Corporate Services Department provides cleaning/maintenance for most of the TPS facilities and administers the utility costs for the buildings. The costs for these services, including administrative costs, are fully recoverable by Corporate Services. The recoverable amount in 2006 is increasing by \$0.8M due to an increase determined by City Corporate Services (and supported by Service staff) necessary to cover staffing impacts and utility increases.

(iii) Gasoline:

Based on a trend of increasing gasoline prices, TPS estimated gas costs for 2006 at a gross cost equivalent to 95 cents per litre. At this price, gasoline costs would increase by \$1.2M. As gasoline costs are now coming down, the estimated increase was reduced by \$0.3M to a \$0.9M increase (the equivalent of 90 cents per litre).

(iv) Lease, computer equipment:

The City has developed an end of lease strategy for technology equipment. This strategy provides for the purchase of equipment instead of leasing. The Service has also adopted this strategy and therefore as lifecycle leases come to an end they are not renewed. The decrease in lease costs of \$2.6M is a result of some lease agreements coming to an end in 2005 and funding is not required in 2006. The purchases will be funded from the Vehicle and Equipment Reserve and future replacements of these and other computer equipment purchases will now come from the City's Capital from Current funds.

(v) Net Other:

A total increase of \$0.4M was originally identified to the BSC for net other account changes. These net other changes have been reduced by \$0.8M to a \$0.4M net decrease. The decrease is comprised of reduced rates in photocopier rental fees (\$0.4M), changes to revenue estimates for clearance letters (\$0.2M), and the transfer of interdepartmental legal charges from the TPS budget to the Police Services Board budget (\$0.2M).

(e) Requests above Base:

The Service has identified two initiatives that require funding over and above the 2005 base budget amount, totalling \$2.8M. These requests above base are explained below.

Safer Communities – 1,000 Officers Partnership Program (\$1.9M)

The Toronto Police Service's application for funding from the Safer Communities – 1,000 Officer Partnership Grant Program included a request for funding for 250 officers above a benchmark of 5,260 officers. Today, November 25, 2005, the Honourable Monte Kwinter, Minister of Community Safety and Correctional Services announced the finalization of the allocation of the funding for the 1,000 officers, which was communicated to the individual police services across the Province. TPS was notified that we received the requested allocation of 250 officers.

This grant funding will provide cost-sharing, up to half of the salary and benefit costs, capped at \$35,000.00 for each of the allocated 250 officers. The 46 new uniform positions approved by City Council in March 2005, for staffing the new 43 Division and recommendations arising from the Ferguson Report will qualify for this funding and the net cost is factored in to the 2006 base budget request. The remaining 204 officers that can be cost-shared under this program represents an above-base request.

In September 2005 City Council approved 150 new officers, for a revised uniform target of 5,456. This brings the total number of new officers to 196 (46+150). At their meeting of October 14, 2005, the Board approved a recommendation “that the remaining 54 officers to be covered by this application be considered by the Board and by Council, mid-year 2006, for an operating expense in the 2007 Budget.” (Board Minute #P313/05 refers).

Based on the following hiring strategy for the additional 204 officers under the program, the additional cost to the 2006 budget would be \$1.9M.

Recruit Class	Additional Officers	Deployment Date
December 2005	50	May 2006
April 2006	50	September 2006
August 2006	50	January 2007
December 2006	54	May 2007

Over and above the additional 250 officers provided under the Safer Communities grant program, we have completed the work on the planned re-assignments of 200 officers to the front line from various Commands. The redeployment of the 200 officers will take place early in 2006 and will result in an additional 200 officers on the street.

Impact of Projects Impact and Pathfinder (\$0.9M)

The 2006 budget request includes \$0.9M to provide for the enhanced security for trials related to projects Impact and Pathfinder. The enhanced security has been requested by the Judges hearing the cases for the security of the Judges, Crown, witnesses, accused and others attending the court rooms.

Additional Information Requested:

The Board, at its meeting of March 22, 2001, requested “that, as part of each years’ TPS operating budget request to the Board, and during the year as issues arise, the Chief of Police identify opportunities for the Board to request funding support from the provincial and federal governments.” (Board Minute #P74/01 refers).

The issue of provincial and federal downloading and the provision of services that might otherwise be more appropriately offered by other organizations has been a topic of discussion for quite some time. There is a Board report being prepared which asks the Chief to quantify the amount of police service that the TPS provides which should, in the view of the TPS, be provided more appropriately by other levels of government.

A number of functions currently undertaken by TPS are not necessarily core policing functions and some functions undertaken by TPS would be more appropriately funded by other levels of government. The following is a list of those functions/activities and the related costs included in the TPS budget:

Marine Unit (including Lifeguards and Marine repairs)	\$5.6M
School Crossing Guards	6.1M
Court Security	<u>35.9M</u>
Total	\$47.6M

Marine Unit (including Lifeguards and Marine Repairs):

With regard to Lake Ontario, the primary responsibilities of the Service, especially since amalgamation with the Toronto Harbour Police, have been Search and Rescue operations and law enforcement along the waterfront, at the Island Airport, and on the Toronto Islands. The Police Service maintains the only year-round presence on Lake Ontario.

Since there is no Coast Guard or RCMP presence in Toronto, the Service, through the Marine Unit, also carries out traditional Coast Guard duties, including supervision of boat launches, inspection of boats for legislated safety equipment, public education on boating safety, and Search and Rescue operations in co-ordination with the military base at Trenton. It is difficult to break down the cost of 'coast guard duties' specifically, since these duties are intertwined with our Search and Rescue and law enforcement.

The Toronto Harbour Police were responsible for lifeguard service on Toronto beaches from the early 1900s. Lifeguard service expanded in the 1970s, as the city itself expanded, and was assumed when the Toronto Harbour Police amalgamated with the Metropolitan Toronto Police Force in 1983.

Currently, the Service employs 79 seasonal lifeguards to cover Toronto beaches each summer. On January 1, 2001, the Police Service, after negotiations with the City's Parks and Recreation Department, assumed full control of the Beach Lifeguard Program. Prior to this, the Parks and Property Department transferred the cost of the program to the Police Service budget.

A total of \$5.6M is included in the 2006 budget for the operation of the Marine Unit and the lifeguard program.

School Crossing Guards:

In 1947, Toronto's Police Chief implemented a program that employed civilians to assist children in crossing the street. This same program, to a great extent, remains in place today.

Crossing guards are civilian members of the Service (who work specific hours of assignment during school times) employed to assist children crossing the streets of Toronto at designated locations, usually in close proximity to a school. Presently, the Service employs 697 guards (including spares), who are hired for the period September to June. Guards must reapply for employment each year.

Toronto is one of the few municipalities where the Police Service administers the School Crossing Guard program. According to the Highway Traffic Act, municipalities are responsible for operating the program through traffic departments or private organizations. With approximately 578 crossing locations, Toronto has the largest complement of school crossing guards in Canada.

Typically, a police officer in each division is assigned, in addition to their other responsibilities, to administer the program at the divisional level. The local co-ordinators are responsible for recruiting, processing applications, hiring, outfitting, training, supervising and disciplining the guards in their respective divisions. As well, these officers must arrange for coverage in an emergent situation where the regular guard is not available due to illness, etc. Often times, the officer himself must perform this duty or arrange for another officer to do so. An officer at Community Programs administers the program and acts as a liaison officer to the divisional co-ordinators. In addition, two other Community Programs officers are responsible for conducting traffic surveys to determine if crossing locations meet the criteria for the placement of adult crossing supervision.

The 2006 budget for the school crossing guard program totals \$6.1 million, including salaries, benefits, and equipment.

Court Security:

Until January 1, 1990, the Province of Ontario and Metropolitan Toronto were involved in a cost sharing agreement for court security. In November 1989, Bill C-187 (The Police and Sheriffs Statute Law Amendment Act) was passed, and responsibility and liability for security and prisoner custody at all court facilities in Metropolitan Toronto were downloaded to the Metropolitan Board of Commissioners of Police. Upon the proclamation of Bill C-187 all cost sharing ceased. The Board was required to hire an additional 75 full-time court officers and 98 part-time court officers to meet its legislated responsibilities. This responsibility was reflected in Part 10 (Court Security), Section 137 of the Police Services Act.

This Bill not only increased the responsibilities of the Service, but also increased the actual number of courthouses for which the Service was responsible. This increase in court facilities and courtrooms continued throughout the 1990s – between the end of 1990 and 1993 alone, the number of courtrooms that Court Services was responsible for increased from 138 to 147. Today, Court Services manages 225 courtrooms.

In addition to an increasing number of courtrooms, Court Services has also had to deal with expanded responsibilities, as with the implementation of 24-hour bail courts in the mid-1990s. Further, TPS is responsible for the transportation of approximately 190,000 prisoners each year.

As long as the Service remains responsible for court security and prisoner custody at all court facilities, the Court Services Unit must be staffed appropriately. Court Services has a relatively large complement of staff – 568 court officers, civilian support staff, and police officers, in the 2006 budget. It must be noted that of the 225 courtrooms within Toronto, a number of them are special courts (Mental Health court, Domestic Violence court, Child Abuse court, etc.) with specialized security needs. Staffing levels must remain at a level that allows the Service to ensure, as much as possible, the safety of all those for whom we are responsible. Due to demands on the Court Services unit and the corresponding need for increased staff, the Court Services budget has increased from \$15.5M in 1990 to \$35.9M in 2006.

Summary:

It is recommended that the Board approve a 2006 net Operating Budget submission of \$753.1M and that the Board approve a revised Uniform staffing target of 5,510 (which represents an increase of 54 over the current approved target of 5,456) and the 54 additional officers along with the 196 approved in 2005 for a total of 250 to be hired under the Safer Communities – 1,000 Officer Partnership Program. It is further recommended that the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer, and to the City Policy and Finance (P&F) Committee.

Mr. Angelo Cristofaro, Acting Chief Administrative Officer, Administrative Command and I will be in attendance to answer any questions the Board may have.

The Board was also in receipt of the following report, December 07, 2005, from Alok Mukherjee, Chair:

Subject: 2006 Toronto Police Service Operating Budget

Recommendations:

It is recommended that:

- (1) the Chief of Police be directed to review the following two account groupings and report to the Board's January 11, 2006 meeting on: (1) a further reduction to the 2006 budget requests for travel, conferences, courses, seminars and (2) whether premium pay accounts can be similarly reduced for 2006;
- (2) the Chief of Police provide, for the Board's July 10, 2006 meeting, a report which, at a minimum, addresses the issues identified during the Budget Sub-Committee's (BSC) review of the 2006 operating budget request including: managerial and supervisory staffing levels, administrative and clerical support allocations, administrative services, management controls on premium pay and acting assignments; and, that this report identify any savings that may be applied to the 2007 operating budget;
- (3) over the next 18 months, the Board in partnership with the Chief of Police, develop a Strategic Plan identifying best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond;
- (4) the Board establish a Strategic Planning Sub-Committee comprised of the Chair, the Chief of Police and at least one other Board member, to develop the terms of reference for the strategic plan and to act as a "steering committee" throughout the strategic planning process;
- (5) the final Strategic Plan be submitted to the Board in June, 2007; and
- (6) this report be forwarded to the City of Toronto's Deputy City Manager and Chief Financial Officer, and to the City's Policy and Finance Committee for information.

Background:

During October and November 2005, the Toronto Police Services Board's Budget Sub-Committee (BSC) conducted an intensive line-by-line review of the budgets of the Toronto Police Service and the Parking Enforcement Unit, as well as the Board's own budget. The Budget Sub-Committee was comprised of myself, Vice Chair Pam McConnell, Board members Judge Hugh Locke and Mr. Hamlin Grange, Councillor Sylvia Watson and Councillor Peter Milcyn. Budgets were presented to the BSC by Chief Blair, the Deputy Chiefs, the A/Chief Administrative Officer and various Unit Commanders.

The BSC review was wide-ranging and focussed on both salary and non-salary accounts and extended into discussions about the structure and staffing of Units, the deployment of uniformed members, as well as issues related to policies and procedures governing service delivery and management of personnel. During this review process, the Chief identified savings of \$3.5 M in the budget he had originally proposed.

The Toronto Police Service's operating budget request for 2006, as contained in a public report from Chief Blair appearing earlier in this agenda, is thus a product of the BSC's review. The request of \$753 M represents a 5 percent increase over the 2005 adjusted budget. Of this increase, the recently negotiated salary settlement is responsible for 3 percent. New initiatives and mandatory increases account for the remaining 2 percent.

In addition to the very diligent efforts on the part of the Chief and Service staff to arrive at this reduced request, it is incumbent upon the Board to continue to ensure that it presents to Council a budget that is as efficient as possible. For this reason, I recommend that the Chief of Police be directed to review the following two account groupings and report to the Board's January 11, 2006 meeting on: (1) a further reduction to the 2006 budget request for travel, conferences, courses, seminars and (2) whether premium pay accounts can be similarly further reduced for 2006.

Budget Sub-Committee (BSC) Review of 2006 Operating Budget Request:

The BSC review can be summarized as focussing on two areas: (1) staffing efficiencies and (2) cost recovery opportunities. It is these areas which I recommend be the subject of a report for the Board's July 10, 2006 meeting. Although these areas have been the subject of study and review under previous commands, I would suggest that the recent re-organization of the Service, its renewed focus on community-oriented service, re-deployment of 200 uniformed staff to the field level combined with an increasingly constrained municipal fiscal environment warrants further, co-ordinated review.

Staffing Efficiencies:

Managerial and Supervisory Staffing Levels – the BSC questioned spans of control and canvassed opportunities to flatten the management structure in various Units.

Administrative and Clerical Support Allocations – the BSC queried the manner in which determinations were made with respect to the numbers of clerical support staff positions; discussions revolved around innovative approaches to the efficient provision of clerical support

such as creating “clerical pools” and/or using a “business centre” approach, ensuring that the allocation of clerical support staff is not based solely on rank or managerial level.

Administrative Services – the BSC suggested that reviews be conducted to develop some benchmarking with respect to administrative services to ensure that the most efficient structures are adopted and duplication avoided, as well as to explore additional opportunities for partnerships with the City of Toronto in the delivery of administrative or support services.

Premium Pay and Acting Assignments – the BSC reviewed premium pay budgets and examined alternate rate accounts to determine whether management controls were effective in minimizing costs and to assess the policies and practices surrounding the allocation of acting assignments.

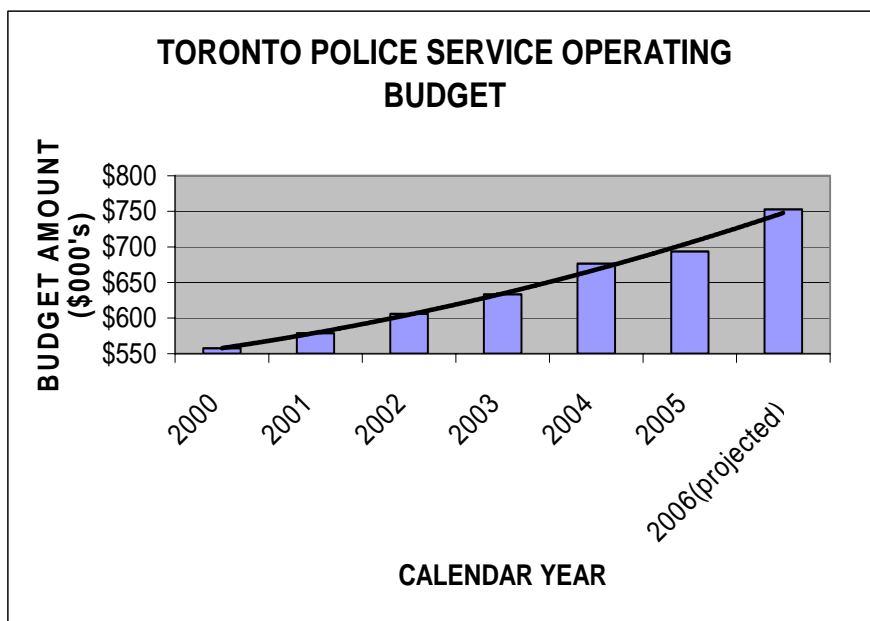
Cost Recovery Opportunities:

Other Levels of Government –the Board has repeatedly sought cost recovery from other levels of government in areas, such as, court security and policing of special events. As part of its own operating budget request, the Board has sought funds to partner with other GTA Police Services Boards to work toward legislative and/or procedural changes to mitigate the impact of pending legislation in the police sector.

Commercial/Industrial Sectors – the Board has, in the past, explored the costs of police services provided to various industrial and commercial entities; for example the Entertainment District, the film industry and construction industry. In February 2005, the Board provided a briefing note to the City’s Budget Advisory Committee detailing the costs of policing the entertainment district (Minute P52/05 refers).

Cost of Policing:

In conducting its review of the Toronto Police Service operating budget request, and throughout contract negotiations with its employee groups, the Board has been acutely aware of the cost of policing to the Toronto taxpayer. As demonstrated by the graph which follows, the upward trend in Toronto Police budgets is significant.



Strategic Planning:

In order to counter rising costs, the Board has identified the need to develop medium and long term strategies for policing. This strategic plan, building upon a recommendation made to the Board in June of this year by Councillor David Soknacki, will focus upon controlling the escalation of policing costs and, at the same time, improving the efficiency and the effectiveness of service delivery.

The development of the strategic plan will involve reviewing the current functions of the police service, examining increasing pressures on service delivery and increasing demands for service, determining where efficiencies or alternative delivery mechanisms may be applied and examining cost-sharing arrangements with other levels of government and potential partnerships with other police services. Part of this review will involve identifying areas where the Board will seek the support of City Council, both for reforms to current practices but also to advocate for new funding relationships and for legislation that will improve our ability to provide high quality service to the community at reasonable cost.

Through the establishment of a Strategic Planning Sub-Committee, the Board will be partnering with the Chief of Police in the development of this strategic plan which will form the basis of operating budget requests in the coming years.

Mr. John Sewell, Toronto Police Accountability Coalition, was in attendance and provided a deputation to the Board. Mr. Sewell also provided a written submission; copy on file in the Board office.

Mr. Angelo Cristofaro, Director of Finance and Administration, was in attendance and delivered a presentation to the Board on the Service's 2006 Operating Budget Submission.

The Board approved the following Motions:

- (1) that, with regard to the November 28, 2005 report from Chief Blair:
 - (i) recommendation no. 1 be approved with the following amendment: the Board approve a preliminary 2006 net operating budget submission of \$753.1M;
 - (ii) recommendation nos. 2 and 3 be approved;
- (2) that the Board approve the December 07, 2005 report from Chair Mukherjee;
- (3) that Chief Blair analyze the policing cost per household in Toronto as a proportion of property taxes and compare it to surrounding GTA municipalities using a specific benchmark (e.g. the Ontario Municipal CAO's Benchmarking Initiative) and, if feasible, identify where further cost efficiencies are possible based on the comparison, in order to receive a better return on the dollar;
- (4) that Chief Blair provide the results of the review noted in Motion No. 3 in a report to the Board;
- (5) that the Board receive Mr. Sewell's deputation and refer his written submission to Chief Blair for a response with regard to the quotations Mr. Sewell obtained from the 2005 Environmental Scan indicating that the average length of time spent by a police officer on calls related to property damage collisions and personal injury collisions has increased substantially since 1996; and
- (6) that the reports noted in Motions 4 and 5 be provided to the Board for its January 11, 2006 meeting.

The Policy and Finance Committee also submits the report (February 6, 2006) from the Chair, Toronto Police Services Board entitled "Toronto Police Services Board and Toronto Police Service-Parking Enforcement Unit 2006 Operating Budget Submissions as at December 15, 2005":

Purpose:

The purpose of this report is to provide the Policy and Finance Committee with information on the 2006 operating budget submissions for the Toronto Police Services Board and Toronto Police Service-Parking Enforcement Unit.

Financial Implications and Impact Statement:

There are no financial implications in regard to the receipt of this report.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

Background:

At its meeting held on December 15, 2005, the Toronto Police Services Board was in receipt of two reports regarding the 2006 operating budget submissions for the Toronto Police Services Board and Toronto Police Service-Parking Enforcement Unit.

Comments:

The Board approved the reports regarding the operating budget submissions for the Toronto Police Services Board and the Toronto Police Service-Parking Enforcement Unit.

Conclusion:

Copies of Board Minute No. P385/05 and P382/05, in the form attached as Appendix “A” and Appendix “B” to this report, regarding these matters are provided for information.

Contact:

Chief of Police William Blair,
Toronto Police Service,
Tel: 416-808-8000, Fax: 416-808-8002.

List of Attachments:

Appendix A - Board Minute No. P385/05
Appendix B - Board Minute No. P382/05

a: 2006tpsbtpr-parkopbudgets.doc

Appendix “A”

This is an Extract from the Minutes of the Public Meeting of
the Toronto Police Services Board Held on December 15, 2005

#P385. Toronto Police Services Board – 2006 Operating Budget Submission

The Board was in receipt of the following report November 30, 2005 from Alok Mukherjee, Chair entitled “2006 Operating Budget Submission for the Toronto Police Services Board”

Recommendations:

- (1) that the Board approve a 2006 net operating budget request of \$1,853,500.00;
- (2) that the Board forward a copy of this report to the City of Toronto Deputy City Manager and Chief Financial Officer, and to the City of Toronto Policy and Finance Committee; and

- (3) that the Chair meet with Board staff, Toronto Police Service Legal Services staff and staff of the City of Toronto Legal Department to reach agreement on the amount of the City Legal chargeback and to examine options to achieve efficiencies in the provision of legal services to the Toronto Police Services Board.

Background:

In accordance with Section 39(1) of the Police Services Act, the Board is required to:

...submit operating and capital estimates to the municipal council that will show, separately, the amounts that will be required, (a) to maintain the police force and provide it with equipment and facilities; and (b) to pay the expenses of the board's operation other than the remuneration of board members.

This report addresses part (b) of the above noted; however, it has been the practice of the Board to include the remuneration of board members in its budget request.

The following is a summary of the 2006 operating budget request (in thousands).

Salaries/Benefits	\$697,900
Supplies/Equipment	25,600
Services	1,130,000
Total Net Request	\$1,853,500
2005 Approved Budget	\$1,278,100
2005 Revised Budget	\$1,296,700

Salaries/Benefits:

The budget request includes funds to maintain the Board's full staff complement of 7. In addition, funds are included for the salary of a full time Board Chair and honouraria for the citizen appointees to the Board.

The 2006 request takes into account the recent salary settlement for the Toronto Police Association, for which one civilian member of the Board's staff is eligible, and makes the assumption that the Board will extend the salary settlement negotiated for the Senior Officers' Organization to the 6 excluded members of the Police Services Board's staff.

Supplies/ Equipment:

There is an increase of \$17,400. The additional funds are required to provide office supplies and materials to support enhanced community outreach and to cover the costs of some replacement furniture and additional storage shelving for Board records.

Services:

There is an increase over the 2005 budget of \$524,000.00. The increase is due to changes in the professional services accounts area and is detailed below:

\$400,000.00 for City Legal chargeback:

City Council has directed that the costs of work performed by the City Legal Department be charged back to the Police Services Board. City Legal provides day to day legal advice to the Board, including policy development, contract management and may represent the Board in civil actions, human rights complaints, at Coroner's inquests and at various inquiries. In preparation for initiating the chargeback system, City Staff are currently reviewing the billings to ensure that costs incurred by other City departments are excluded from the billings directed to the Police Services Board.

\$110,000.00 for "Funding for Success" initiative:

On September 6, 2005, the Board approved entering into a partnership, known as "Funding for Success", with several other GTA police services boards. The proposal requires a 3 year commitment of funds from each participating police board to contribute to a pool of funds intended to advance the ability of the Boards to deliver police service in as cost-effective a manner as possible. The objective of the proposal is to develop concrete measures to allow Boards to respond strategically and tactically to the increase of costs in the police sector through measures such as: collective bargaining strategies, pooling of resources to more efficiently deliver services, and introducing or mitigating the impact of new legislation at both the provincial and federal level.

\$10,000.00 for media/communications training for Board Members.

\$15,500.00 for professional facilitation services:

These funds are requested to provide assistance in the development of a Board approved strategic plan and for the costs of Board governance retreat

Summary:

The Board's 2005 operating budget request represents a 42.9 percent increase over the 2005 revised budget. This increase is due to the inclusion of \$400,000.00 for the chargeback of City of Toronto Legal Services to the Police Services Board and the Board's commitment of \$110,000.00 to the "Funding for Success" initiative.

Ms. Joanne Campbell, Executive Director, Toronto Police Services Board, was in attendance and discussed this report with the Board.

The Board approved the foregoing.

Appendix “B”

This is an Extract from the Minutes of the Public Meeting of the
Toronto Police Services Board Held on December 15, 2005

#P382. Toronto Police Service – Parking Enforcement Unit: 2006 Operating Budget Submission

The Board was in receipt of the following report November 28, 2005 from William Blair, Chief of Police entitled “2006 Operating Budget Submission for Parking Enforcement Unit”

Recommendations:

It is recommended that the Board:

- (1) approve a 2006 net Operating Budget request of \$33.0M for the Parking Enforcement Unit; and
- (2) forward a copy of this report to the City’s Deputy City Manager and Chief Financial Officer, and to the City Policy and Finance (P&F) Committee.

Background:

The purpose of the Parking Enforcement Unit of the Toronto Police Service is to assist with the safe and orderly flow of traffic, respond to the parking concerns of the community, regulate parking, and provide operational support to the Toronto Police Service.

The Council approved 2005 net operating budget for the Parking Enforcement Unit was \$31.4M. With the addition of the 2005 to 2007 TPA salary settlement, the adjusted 2005 operating budget is \$32.0M. The Parking Enforcement Unit’s net operating budget request for the year 2006 is \$33.0M for an increase of \$1.0M (3.1 percent).

The following provides detailed information regarding the budget development process, as well as specific increases and decreases.

Budget Development:

Parking Enforcement’s budget is developed using the following guiding principles:

- (1) reallocate within existing budget wherever possible to accommodate pressures, thereby striving for a maintenance budget;
- (2) budget for known plans including staffing requirements;
- (3) defer service enhancements where risk of liability associated with deferral is low;
- (4) maximize cost-recovery opportunities within the constraints of the Municipal Act to address pressures wherever possible by additional revenue; and
- (5) ensure all proposed service enhancements adhere to Board priorities.

Salaries and Benefits (Increase of \$0.9M):

Regular pay, premium pay, and fringe benefits constitute 85 percent of the budget (or \$28.2M). The budget request includes the result of the 2005 to 2007 TPA salary settlement, \$0.6M in each of 2005 and 2006 with a further impact of \$0.7M in 2007. OMERS will be increasing contribution rates on all its members effective January 1, 2006 resulting in a \$0.1M pressure in Parking Enforcement. Industry wide inflationary pressures on medical and dental expenditures have been factored into the 2006 operating request in the amount of \$0.2M.

Non Salary (Increase of \$0.1M):

Non salary accounts constitute 15 percent of the budget (or \$4.7M) and have increased by \$0.1M from the 2005 budget. This increase is due mainly to an estimated increase in gasoline prices.

During the 2005 operating budget process, \$0.3M of operating impacts from the implementation of the handheld ticketing capital project were added to the 2005 base. This estimated part year operating impact included costs associated with radio frequencies, software and batteries. This project has been delayed by one year and therefore the 2005 amounts went unspent. These funds will be required in 2006 and an annualized impact in 2007.

Summary of 2006 Budget Request:

2005 Approved Budget	\$31.4M	
Add : 2005 Collective Agreement Impact – TPA	<u>\$0.6M</u>	
2005 Adjusted Approved Budget	\$32.0M	
<u>Increases over 2005 Budget</u>		
2006 Collective Agreement Impact – TPA	\$0.6M	
OMERS Rate Increase	\$0.1M	
Medical and Dental Inflationary Increases	\$0.2M	
Gasoline Price Increase	<u>\$0.1M</u>	
Total Increases	<u>\$1.0M</u>	<u>(3.1%)</u>
Total 2006 Budget Request	\$33.0 M	

Parking Tag Revenue:

The following table summarizes expected parking tag volume and revenues (based on an average fine of \$30.00 per ticket) of Toronto Police Parking Enforcement Officers.

# of tickets (000s)		Gross Revenue \$ (000s)	
<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>
2,815	2,600	\$70,994	\$75,660

Note: Based on the collection experience for the City (82 percent), 2006 net revenue would be \$62.0M.

Subsequent to the approval of the 2005 operating budget, the average fine per parking infraction increased from \$26.00 to \$30.00. As a result, there has been increased compliance with parking by-laws leading to fewer tickets being issued. Therefore, Parking Enforcement has lowered the estimate for ticket volume in 2006 while increasing the revenue estimate due to the increased fines.

As a result of the implementation of handheld ticketing, the processable rate for parking tag issuance is expected to increase from 97 percent to 97.8 percent towards the end of 2006. By 2007 this will result in increased revenues of approximately \$0.6M per year. No increase in tag issuance is projected in 2006 as a result of the implementation of handheld ticketing.

It is recommended that the Board approve the 2006 net operating budget request of \$33.0M for the Parking Enforcement Unit. It is also recommended that the Board forward this report to the City's Chief Financial Officer and Treasurer and to the City's Budget Advisory Committee.

Mr. Angelo Cristofaro, Acting Chief Administrative Officer, Administrative Command will be in attendance to answer any questions the Board may have.

Mr. Angelo Cristofaro, Director of Finance and Administration, was in attendance and delivered a presentation to the Board with respect to the 2006 operating budget submission for the Parking Enforcement Unit.

The Board approved the foregoing report and the following Motion:

that, with regard to the service of parking infraction notices pertaining to "drove-away tags", the Chief of Police provide a report to the Board on the status of the correspondence the Board sent to the Attorney General containing a recommendation to amend the Provincial Offences Act to provide for an additional form of service, preferably first-class mail, of parking infraction notices under Part II of the Act.

The Policy and Finance Committee also submits the report (March 1, 2006) from the Toronto Police Services Board entitled "Toronto Police Service – 2006 Operating Budget Request - Revised":

Purpose:

The purpose of this report is to provide the Policy and Finance Committee with a report on the revised 2006 net operating budget request of the Toronto Police Service.

Financial Implications and Impact Statement:

There are no financial implications in regard to the receipt of this report.

Recommendation:

It is recommended that the Policy and Finance Committee receive this report.

Background:

At its meeting held on January 11, 2006, the Toronto Police Services Board was in receipt of a report, dated January 03, 2006, from Chief of Police William Blair containing a revised 2006 net operating budget request for the Toronto Police Service in the amount of \$753M.

Comments:

The Board approved the foregoing report from Chief Blair and noted that the City of Toronto - Budget Advisory Committee would consider the 2006 net operating budget request of \$753M at its meeting on January 13, 2006. The Board requested Chair Mukherjee to provide a report for the Board's February 15, 2006 meeting on the status of the operating budget request following the January 13, 2006 Budget Advisory Committee meeting.

Conclusion:

A copy of Board Minute No. P05/06, in the form attached as Appendix "A" to this report, regarding this matter is provided for information.

Contact:

Chief of Police William Blair
Toronto Police Service
Telephone No. 416-808-8000
Fax. No. 416-808-8002.

Attachments: Appendix A- Board Minute No. P05/06

a: 2006tpsoper-reduce.doc

Appendix "A"

This is an Extract from the Minutes of the Public Meeting of the
Toronto Police Services Board Held on January 11, 2006

#P5. Toronto Police Service 2006 Operating Budget Submission – Revised: Response to Board's Request For Reductions

The Board was in receipt of the following report January 03, 2006 from William Blair, Chief of Police entitled "Response to the Board's Request for Further Reductions to the 2006 Operating Budget"

Recommendation:

It is recommended that:

(1) the Board approve the revised 2006 net operating budget request of \$753M; and

- (2) the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer and to the City Policy and Finance Committee for their information.

Background:

The Board, at its meeting of December 15, 2005, recommended that the Chief review the following two account groupings and report to the Board's January 11, 2006, meeting on:

- (1) a further reduction to the 2006 budget requests for travel, conferences, courses, seminars; and
- (2) whether premium pay accounts can be similarly reduced for 2006.

Comments:

The total cost of courses, conferences and seminars for Toronto Police Service (TPS) members is as follows:

2005 Budget	2005 Projected Actual	2006 Request
\$1.0M	\$0.9M	\$1.2M

- (1) Courses, Seminars and Conferences

The TPS ensures its police officers and civilian members have the required and up-to-date skills to effectively carry out their duties by providing mandatory and non-mandatory training. Members of the Service receive training through a number of different means, which include training offered through the Training and Education Unit (T&E), unit specific training and courses taken externally.

The demand for training opportunities within the TPS continues to grow due to many factors. These factors include training for newly hired staff, training that is mandated by the Province to accredit members for specific jobs, training that is mandated by the Service in response to inquests or other civil remedies, and training that is in response to current issues and themes that impact the Service. In addition, the 2006 Budget request provides funding for training initiatives arising from the report prepared by the Honourable George Ferguson, Q.C.

To ensure that training is prioritized and delivered to members of the Service in a timely and appropriate manner, training is broken down and delivered according to the following priorities:

Category of Training	Examples
Training required by law, TPS standard or Provincially mandated	Use of Force Re-qualification, Management and Evaluation of Risk Investigations, Suspect Apprehension Pursuit, General Investigators, Sexual Assault Child Abuse, Ontario Major Case Management and Domestic Violence Investigators Courses.

Training required to enhance public and officer safety	Booking Officers Course, Introduction to Plainclothes and Drugs, Interview and Tactical Firearms Courses.
Training required to allow members to perform their current duties more effectively	Uniform and Civilian Professional Development; Crime Prevention Through Environmental Design and Instructional Techniques.
Training that is desirable to develop members for future work assignments and career development	This training is for college/university courses that are beneficial to the member and the Service. This training is supported by tuition reimbursement (50%).

The TPS devotes considerable resources to meeting the learning requirements of police officers and civilian members. Training is carried out in a systematic and thorough manner to ensure it meets all legislative requirements and the needs of the Service. Courses, seminars and workshops have to provide direct benefit and application to a current or future assignment of a member, and are authorized by the Unit Commander and Career Development Officer.

Attendance at conferences is also an effective way of training and developing staff, as well as identifying best practices and new opportunities that can be applied within the Service. A significant portion of these conferences are for specialized skills development such as Crisis Negotiation, Use of Force, Disaster Management, Airport Anti-Terrorism, Guns and Gangs, Public Safety Communication, Criminal Harassment, and Crime Prevention. In addition, members attend annual conferences of the International Association of Chiefs of Police (IACP), Canadian Association of Chiefs of Police (CACP) and Ontario Association of Chiefs of Police (OACP).

The total 2006 budget request for courses, seminars and conferences is \$1.2M. The number of members (uniform and civilian) attending courses, seminars and conferences, reflected in the \$1.2M, is estimated at 3,000 for an average of \$400.00 per person per year. This average is minimal if one considers the need to maintain staff knowledge and skills (e.g. Information Technology area) and manage risk within the organisation. The TPS operates many technical and complex systems and deals with a variety of policing and community issues and staff training is a very important part of delivering services in the most effective and efficient manner.

Human resources are the largest and most important component of the Service's budget. It is therefore essential that an adequate level of training be provided to ensure Service members have up-to-date skills and knowledge to effectively perform their duties. However, due to the financial pressures faced by the Service and the City, I am prepared to reduce the training related budget for 2006 by \$0.1M.

(2) Premium Pay

Premium pay is comprised of four accounts: overtime; callback; court; and lieu-time.

(a) Overtime

Overtime includes the cost incurred when an Association member is asked to work beyond their regular shift and for Court Elect (i.e. when an officer is to attend court within three hours after his/her tour of duty ends, (s)he can elect to work overtime until the time of the court appearance). The member is compensated in accordance with the collective agreements, and has the option to elect cash or time off in lieu for the overtime worked.

Examples of where overtime is required include:

- (i) During the course of their duties members become involved in activities that require them to stay “on duty” beyond the end of their shift (call for service/investigation). The member may be required to stay beyond their “reporting off” time because of the nature of the investigation or the necessity to complete and submit reports prior to “reporting off” duty (as required in TPS Rule 3.12.7).
- (ii) A member is scheduled to attend court while on duty. The duration of the member’s requirement at court extends beyond the end of their regular shift.
- (iii) Members are required to attend meetings (e.g. community) or other functions that commence directly after their shift.
- (iv) Situations arise where members are provided with tasks that have very short deadlines. These tasks require the member to work beyond their normal shift to ensure that the specified deadline is met.

(b) Callback

Callback costs are incurred when a member is asked to work when off duty. The member is compensated in accordance with the collective agreements, and has the option to elect cash or time off in lieu.

Members work a scheduled shift, (normally consisting of either 8 or 10 hours) as dictated by the function they perform in their particular unit. If the member after reporting off duty is required to return to work while they are “off duty” or on a “day off”, they are entitled to be compensated in accordance with the collective agreements. Some examples of where callback is required are:

- (i) specialized investigations;
- (ii) execution of a search warrant;
- (iii) appearance under subpoena at specified hearings; and
- (iv) Special Projects (eg. Community Action Policing (CAP)).

(c) Court

Court costs are incurred when a member is required to attend court when off duty for criminal, minor traffic, liquor, liquor tribunal, bylaw offences, as well as civil court proceedings. The member has the option to elect cash or time off in lieu.

Approximately half (\$17M) of all premium pay relates to court attendance. The Service has implemented many initiatives to control and reduce court spending. For example, the assignment of Detective Sergeants at court locations not only assists the Crown Attorney in the vetting of witnesses, but also reduces the need for the officer-in-charge of a case to attend the Judicial Pre-Trial. However; all such initiatives are subject to operational requirements and the justice system.

(d) Lieu-time

Lieu-time represents time earned as a result of over-time, callback or court and any other time entered into the lieu-time bank. Based on the collective agreements, unused lieu-time is paid out four times a year.

As lieu-time is a product of the above three accounts, any controls/initiatives implemented for those accounts will also impact this account. The utilisation of time earned reduces the payout requirements and therefore the Service attempts to accommodate member requests for time off, taking into account the exigencies of policing.

The following table summarizes the premium pay breakdown by category over the past five years. Based on the collective agreements, a portion of unused lieu time is paid out four times per year.

Year	Court	Overtime	Callback	Total
2002	\$15.7M (48.8%)	\$12.6M (39.5%)	\$3.7M (11.7%)	\$32.0M
2003	\$16.9M (50.6%)	\$13.4M (40.1%)	\$3.1M (9.3%)	\$33.4M
2004	\$17.3M (51.4%)	\$12.6M (37.2%)	\$3.9M (11.4%)	\$33.8M
2005	\$17.2M (52.0%)	\$13.0M (39.4%)	\$2.8M (8.6%)	\$33.0M
2006	\$18.2M (53.8%)	\$12.7M (37.8%)	\$2.8M (8.4%)	\$33.7M

Note: Lieu-time applicable to each category is estimated and included in the above. The costs in the table reflect the recent contract settlement.

The Service has taken the following actions to control/reduce premium pay costs:

- (i) Developed a policy for overtime/callback (August 2002);
- (ii) Initiated the requirement for daily reporting of overtime;
- (iii) Works with the Crown to reduce the number of witnesses required for court;
- (iv) Enhancements to compress frequency of court attendance;
- (v) "Spot checking" at court locations to ensure that only required members are in attendance;
- (vi) Improved planning for special events;

- (vii) Modify shift schedules, where possible, to reduce costs; and
- (viii) Regular monitoring of “no lunch hour taken” claims.

In addition, the following information is produced:

- (i) reports on premium pay expenditures are provided to the Staff Superintendent on a regular basis;
- (ii) reports that identify “high earners” for premium pay to all unit commanders and senior management; and
- (iii) monthly variance reports are sent to each unit that identifies all areas of concern including premium pay.

These initiatives have enabled unit commanders to better monitor and control premium pay budgets so that any corrective action required can be taken.

Premium pay costs are impacted by salary settlement. As shown in the chart below, if salary settlements are excluded, premium pay has declined over the last four years and the 2006 request reflects a further reduction.

Year	Budget (\$M) Excluding Salary Settlement – Budget	Budget (\$M) Cumulative Salary Settlement – Budget	Total Budget (\$M)	Actual (\$M)
2002	26.4	4.8	31.2	32.0
2003	24.5	6.0	30.5	33.4
2004	24.4	7.6	32.0	33.8
2005	23.8	9.2	33.0	33.0
2006	23.7	10.0	33.7	

The premium pay portion of the 2004 budget was reduced by \$0.1M. In 2005, it was further reduced by \$1.0M and in 2006 it has again been reduced by a further \$0.5M. The Service has reached a level of premium pay where further reductions cannot be sustained. The redeployment of 200 officers to frontline duties will result in more enforcement and additional premium costs (which have not been included in the 2006 request).

Uncontrollable external factors (e.g. unforeseen events, major investigations) do affect the premium pay expenditures of the Service.

The 2006 premium pay budget has been scrutinized and represents the level required to provide the appropriate policing services for the City of Toronto. Given all of the factors identified above, I cannot recommend any further reduction in this category.

Conclusions:

Following numerous meetings with the Board’s Budget Sub-Committee, I recommended a reduction of \$3.5M to the Service’s 2006 original budget request. As requested by the Board, I have reviewed the training and premium pay accounts to determine if further reductions can be accommodated.

As a result of this review, I am prepared to reduce the requested funding for training by \$0.1M. No further reductions to the premium pay account are possible at this time. However, I am committed to conducting various reviews during 2006 to identify efficiencies and potential savings to future budget requests of the Service.

It is therefore recommended that the Board approve a revised 2006 net operating budget request of \$753M and that the Board forward a copy of this report to the City's Deputy City Manager and Chief Financial Officer and to the City Policy and Finance Committee for their information.

Mr. Tony Veneziano, Chief Administrative Officer, Administrative Command will be in attendance to answer any questions the Board may have.

The Board approved the foregoing and noted that the City of Toronto – Budget Advisory Committee will consider the 2006 net operating budget request of \$753M at its meeting on January 13, 2006. The Board requested Chair Mukherjee to provide a report for the Board's February 15, 2006 meeting on the status of the operating budget request following the January 13, 2006 Budget Advisory Committee meeting.

The Policy and Finance Committee also submits the communication (February 10, 2006) from the City Clerk entitled “Grant to Save Our St. Clair (SOS) Group”:

City Council on January 31 and February 1 and 2, 2006, referred the following Motion to the Policy and Finance Committee:

- I(1) Grant to Save Our St. Clair (SOS) Group
Moved by Councillor Walker, seconded by Councillor Palacio and Councillor Nunziata

“Whereas in September 2004, City Council approved the St. Clair Streetcar Designated Right-of-Way Project to build an exclusive streetcar lane down the middle of St. Clair Avenue West; and

Whereas Save Our St. Clair (SOS) is a grass roots group of local St. Clair Avenue West residents, businesses and organizations; and

Whereas in August 2005, Save Our St. Clair (SOS) took the City of Toronto to Divisional Court to stop the scheduled construction of City Council's approved St. Clair Streetcar Designated Right-of-Way Project, arguing the City's Environmental Assessment (EA) was done under the new Official Plan when it should have been done under the in force old Official Plan; and

Whereas on October 11, 2005, a three-judge panel ruled in favour of SOS, awarding legal costs to SOS; and

Whereas on November 3, 2005, after accusations of bias and a motion from the City for the judges to recuse (withdraw) themselves because one of the judges, Justice Ted Matlow, had been fighting the City about a parking garage in his Forest Hill neighbourhood and was therefore biased; and

Whereas the two of the three judges removed themselves from the case, triggering a new hearing process with a new three-judge panel; and

Whereas the original three judges gave their original October 11, 2005 rulings separately and sequentially according to seniority, placing Justice Matlow as the last to express his ruling, thereby making it impossible for his ruling to have influenced the other Justices' rulings; and

Whereas on November 18, 2005, SOS announced it is asking the Ontario Court of Appeals to uphold the October 11, 2005 ruling by the Divisional Court which found the City of Toronto had violated the Planning Act in the way it handled the approval of the St. Clair Streetcar Designated Right-of-Way Project; and

Whereas SOS lawyer, Eric Gillespie, states his client's case should stand and that, 'basically, the Supreme Court of Canada in a previous decision [has] already indicated that even if one judge was ultimately determined to have been biased or there was a reasonable apprehension of bias, that because of the way judicial decisions are made, the decisions of the other judges wouldn't be affected'; and

Whereas Save Our St. Clair (SOS) has already raised thousands of dollars towards these 'David and Goliath like' court proceedings and its ability to continue to raise money from volunteers will be limited; and

Whereas SOS has limited funds and the City has unlimited funds to pursue this matter further;

Now Therefore Be It Resolved That City Council hereby authorize a one-time grant of up to \$30,000.00 to the Save Our St. Clair (SOS) group to enable it to re-make their case at future hearings, challenging City Council's approval of the St. Clair Streetcar Designated Right-of-Way Project;

And Be It Further Resolved That this contribution is deemed in the interest of natural justice – fairness and is in the interest of the Municipality;

And Be It Further Resolved That the appropriate City officials be directed and given authority to give effect to the foregoing.”

Council also considered the following:

- Fiscal Impact Statement (December 6, 2005) from the Deputy City Manager and Chief Financial Officer; and
 - Fiscal Impact Statement (February 1, 2006) from the Deputy City Manager and Chief Financial Officer.
-

The Policy and Finance Committee also submits the report (March 21, 2006) from the General Manager, Parks, Forestry and Recreation entitled “Asian Long-Horned Beetle Eradication Program – (All Wards)”:

Purpose:

To confirm the current and future Partnership Agreement between the City of Toronto and the Canadian Food Inspection Agency (CFIA) which provides for the reimbursement of all costs for survey, removal and disposal of infected trees associated with the Asian Long-horned Beetle (ALHB) Eradication Program.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that this report be received for information.

Background:

Urban Forestry had reported on the Asian Long-horned Beetle (ALHB) issue to City Council on May 9, 10 and 11, 2000, prior to its arrival in Ontario. In September 2003, ALHB was discovered in Toronto and Vaughan, and City Council reviewed a motion on December 2 and 4, 2003, authorizing an expenditure of up to \$3 million to be spent by Toronto on eradication work including surveys, tree removal, chemical control, wood disposal, communication, research, administration and management. A further report to the Economic Development and Parks Committee on February 2, 2004 was received to support this motion.

At its meeting on January 25, 2006, Budget Advisory Committee adopted the Operating Budget Recommendations contained in the Analyst Briefing Notes for Parks, Forestry and Recreation including that \$3.5 million gross, \$0 net be approved for the Asian Long-horned 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.

Comments:

The introduction to Ontario from Asia of the Asian Long-horned Beetle (ALHB), *Anoplophora glabripennis*, dates back several years. Currently, the infestation appears contained within the urban forests of the cities of Toronto and Vaughan.

ALHB kills several species of hardwood trees, a major component of urban forests. To our knowledge, the only effective means of preventing the spread of this insect within the urban forest and into natural forests is the removal and destruction of infested trees, the establishment of quarantine areas to prevent the movement of untreated host material out of the infested area and the elimination of all individuals of this insect from the infested area. The eradication of this pest is possible because measures to prevent the unlikely re-invasion of this pest have already

been implemented in Canada. The probability of success is unknown and the risk to Ontario forests should eradication not be successful is high. Thus, the goal of the Canadian Food Inspection Agency (CFIA) and its partners including Toronto is to implement the most appropriate actions aimed at containing and eradicating ALHB from this urban environment as quickly and efficiently as possible.

Under the *Plant Protection Act*, the CFIA is responsible for preventing the entry and spread of pests of quarantine significance into Canada. The CFIA has the authority to conduct eradication projects and has regulatory authority in the control of pest situations. The CFIA has implemented an action plan for greater Toronto, taking action to eradicate all known infestations and finding any undetected infestations. On the ground, the eradication project consists of four activities – survey, containment, treatment and replanting.

Since September 2003, Urban Forestry has provided significant staff and equipment resources to CFIA to implement the eradication project. The current Partnership Agreement between the City of Toronto and the Canadian Food Inspection Agency provides for the reimbursement of all costs for survey, removal and disposal of infected trees associated with the Asian Long-horned Beetle Eradication Program. This agreement is for the period April 1, 2005 to March 31, 2006, coinciding with the CFIA fiscal year. A new contract will extend the partnership to the new fiscal year, starting April 1, 2006 and ending March 31, 2007.

In 2005, the CFIA inspection teams continued to find infested trees both in Toronto and Vaughan within the Regulated Area. After each new find, the infested trees, as well as all host trees within 400 metres of these trees, were removed to prevent the spread of the ALHB. Approximately 12,000 trees were removed in 2005 from residential, commercial and industrial properties, including a cemetery. The trees are being studied and the data collected will be used to strengthen the ALHB Action Plan. The removal and disposal of host trees is considered the most effective means of controlling the spread of the ALHB. At the present time, it is the only option for control available in Canada.

Approval is required to spend money associated with the ALHB Eradication Program, prior to receiving reimbursement by the CFIA. This report provides the background to support this request.

The partnership between the CFIA and City of Toronto is vital to the continued success of the ALHB Eradication Program. ALHB is a serious threat to Canada's hardwood forests and shade trees and would be devastating if allowed to establish. The ongoing eradication program, to date, is considered successful, although survey and control programs must continue in 2006.

Conclusion:

The existing Partnership Agreement is in place until March 31, 2006. A new agreement will be put in place starting April 1, 2006 to ensure that expenditures for the remainder of the year are also recovered from CFIA. It is being recommended, through the 2006 Operating Budget process, that expenditures of up to \$3.5 million gross, \$0 net, for the Asian Long-horned Beetle Program, subject to 100 percent recovery from the Federal government against the operating accounts in accordance with the partnership agreements (both existing and new) be approved.

Contact:

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The Policy and Finance Committee also submits the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer entitled “Renewal of Provincial Gas Tax Agreement”:

Purpose:

To obtain authority to enter into a renewal agreement with the Province of Ontario for Provincial gas tax funding for the 2005/2006 year, and annually thereafter as necessary, in order to permit the flow of funds to resume at a current rate of \$30.0 million per quarter.

Financial Implications and Impact Statement:

Under the Province’s gas tax program, agreements must be executed each year to maintain eligibility for the funds. The last agreement expired September 30, 2005, and the new agreement has only recently been received by the City. The City receives gas tax on a quarterly basis. Lack of an executed agreement is interrupting the flow of funds for the 2005/2006 contract period, at a rate of \$30.0 million per quarter. Accordingly, it is recommended that the City execute the agreement immediately.

Under the previous agreement the City was entitled to \$81.25 million for the 12 month period from October 2004 through September 2005. The Province announced on February 3, 2006, the City’s entitlement for the October 2005 – September 2006 as \$120.1 million. This compares with a preliminary City staff estimate of \$122 million.

The funding attributable to the City’s fiscal years is \$90.9 million in 2005 and is currently estimated to be \$130.1 million for 2006, after consideration of the final increase in funding rate in the fourth quarter of 2006.

Recommendations:

It is recommended that:

- (1) the Mayor, Deputy City Manager and Chief Financial Officer and Clerk be authorized to execute the standard Letter of Agreement between the City and Her Majesty the Queen in Right of Ontario for funding under the Dedicated Gas Tax Funds for Public Transportation Program for:
 - (a) the period October 1, 2005 – September 30, 2006; and
 - (b) each subsequent year, if necessary, provided the nature of the agreement and/or guidelines for eligibility are not altered in a material way; and

- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of November 30, December 1 and 2, 2004, Council adopted Policy and Finance Committee Report No. 9, Clause No. 5 entitled “Toronto Transit Commission Funding Agreements” which authorized the execution of a Letter of Agreement under the Provincial Dedicated Gas Tax Funds for Public Transportation Program for funding for the period October 1, 2004 – September 30, 2005. For the City to continue to receive funding under the current program, an agreement must be executed for the period October 1, 2005 – September 30, 2006, and annually thereafter.

Comments:

City Share of Provincial Gas Tax Funds:

The Province of Ontario announced as part of its 2004/05 budget that it would commit two cents/litre of provincial gas tax revenues to fund public transportation systems throughout the province beginning in 2004. The two cents per litre is to be phased-in over a three year period beginning with one cent per litre effective October 2004, and a further ½ cent per litre in each of October 2005 and 2006.

To date, the City has received \$20.3 million in 2004 and \$61.0 million in 2005 for a total of \$81.3 million representing the initial 1¢ share of provincial gas tax under the program for the October 2004 – September 2005 period. On February 3, 2006 the Province announced the City entitlement for the one year period ending September 2006 as \$120.1 million. The table below reflects City staff’s estimate of the phased funding amounts through 2007.

City Allocation of Provincial Gas Tax Revenues (\$ millions)

Agreement	2004	2005	2006 *	2007 *	Total
2004/05 (1.0¢)	20.3	61.0			81.3
2005/06 (1.5¢)		30.0	90.1		120.1
2006/07 (2.0¢)			40.0	120.1	160.1
2007/08 (2.0¢)				<u>40.0</u>	
Total	20.3	91.0	130.1	160.1	

* Figures for 2006/07 and 2007/08 agreement periods are extrapolated from the 2005/06 guidelines and may change slightly based on updates to the City share of Ontario population and ridership, and total shared Provincial gas tax revenues. Toronto’s share declined from 52.08 percent in 2004/05 to 51.75 percent in 2005/06. Total shared Provincial gas tax revenues declined from \$234 million in 2004/05 to \$232 million in 2005/06.

Eligibility Requirements for All Dedicated Gas Tax Funds Received in 2006 and Beyond:

The Province has provided updated ‘eligibility’ requirements, a summary of which are included in Appendix 1. A continuing core requirement of the Province’s gas tax program is to maintain a

level of ridership-growth spending above a prescribed baseline defined as average spending (capital and operating), before offsetting fare revenue, for the period 2001-2003. Also, for the GTA and Hamilton, there is a continuing requirement for each municipality to be current in its funding support for the GO Transit capital growth program.

Notable changes compared with the previous requirements include:

- (i) the baseline expenditure level will be inflated each year by 2 percent;
- (ii) transit security and passenger safety have been listed as eligible capital expenditures;
- (iii) in 2006 up to 70 percent of gas tax funds may be spent on operating expenditures that support ridership growth, declining to 50 percent in 2007; and
- (iv) gas tax revenues are permitted to fund a reduction or deferred increase in fares once within any three-year period (i.e. 2005-2007).

These guidelines are applicable to the City's 2006 budget year and are considered to be consistent with the City's 2006 budget assumptions. The guidelines may be amended at the discretion of the Minister or when reissued for the subsequent period.

Impact of the 2006/2007 Provincial Budget - March 23, 2006:

Incorporated in the 2006/2007 Provincial Budget are implied changes to the Gas Tax Agreement Guidelines that would increase municipal flexibility to allocate the funds between transit operating and capital budgets. There is no impact of these changes on the City's 2006 budget assumptions, however they will improve flexibility for future transit operating budgets.

Conclusions:

City Council authorized at its meeting of November 30, December 1 and 2, 2004 the execution of a Letter of Agreement under the Provincial Dedicated Gas Tax Funds for Public Transportation Program for funding over the period October 1, 2004 – September 30, 2005. Adoption of this report will authorize execution of the annual Letter of Agreement for the October 1 2005 – September 30 2006 period and subsequent periods.

The City receives gas tax on a quarterly basis. Lack of an executed agreement is interrupting the flow of funds for the 2005/2006 contract period, at a rate of \$30.0 million per quarter. Accordingly, it is recommended that the City execute the agreement immediately. In so doing, the City will be eligible to receive an estimated \$130 million in funding in 2006 after consideration of the final increase in funding rate to 2¢ in the fourth quarter of 2006, in keeping with the City's 2006 budget assumptions.

Contact:

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List of Attachments:

Appendix 1 – Provincial Gas Tax Letter of Agreement – Key Eligibility Requirements
Appendix 2 – Dedicated Gas Tax Funds for Public Transportation Program 2005/2006
Guidelines and Requirements
Appendix 3 – Letter of Agreement from Ministry of Transportation to Mayor David Miller

Appendix 1

Provincial Gas Tax Letter of Agreement – Key Eligibility Requirements

2004 Eligibility Requirements (no change):

- (i) the municipality must use dedicated gas tax funds received exclusively for public transit;
- (ii) municipalities not currently providing public transportation will be eligible subject to a municipal by-law indicating their intent to do so;
- (iii) gas tax revenues must be kept in a dedicated gas tax funds reserve account and remain the property of the Ministry pending payment of such costs for eligible expenditures; and
- (iv) interest earned must accrue on any carryover funds at the appropriate Chums One rate for an equivalent term.

2005 Eligibility Requirements (no change):

- (i) must give priority to increased capital expenditures and then increased operating expenditures that support increased ridership;
- (ii) municipalities that have already developed a Ridership Growth Plan and an Asset Management Plan should submit these plans in 2005 as par of the reporting requirements. Development of the ridership Growth Plan and an Asset Management Plan will be considered as an eligible expenditure.

Eligibility Requirements 2006 and beyond: (updated)

- (i) increased capital expenditures or increased operating expenditures that promote increased ridership, which must be incremental to baseline “municipal own account spending” on transit. (Above a baseline public transportation expenditure level which will equal the average “municipal own account spending on transit” for the years 2001 to 2003 and will include a rate of 2 percent per year for inflation);
- (ii) in 2006, up to 70 percent of gas tax funds may be spent on operating expenditures that support ridership growth;

- (iii) beginning in 2007, eligible gas tax expenditures will be limited to a maximum of 50 percent to be spent on operating expenditures that support ridership growth;
- (iv) gas tax revenues are permitted to fund a reduction or deferred increase in fares once within any three-year period (i.e. 2005-2007).
- (v) in 2006, for municipalities that provide only specialized transit, transit strategies that may not initially result in ridership growth but will provide increased accessibility can be considered as eligible expenditures if discussed and approved in writing by MTO prior to implementation.
- (vi) a Ridership Growth Plan and an Asset Management Plan will be required from municipalities by March 31, 2006 as a basis for receiving any future dedicated gas tax funds. Development of the Ridership Growth Plan and an Asset Management Plan will be considered an eligible expenditure.

Specific Criteria for Toronto, GTA Regions and Hamilton for 2006 and beyond:

- (i) develop Ridership Growth Plans that are aligned with the Province's transportation strategies and plans for the GTA;
- (ii) participate in the GTA Farecard project, and be in good financial standing;
- (iii) where municipalities are required to provide one-third of capital expansion costs for GO Transit expansion, demonstrate that these payments are current prior to the release by the Province of dedicated gas tax funds.

The Policy and Finance Committee also submits the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer entitled "2005 Preliminary Year-End Operating Variance Report":

Purpose:

The purpose of this report is to provide the City of Toronto Preliminary Year-end Operating Variance report for the twelve months of operations ended December 31, 2005. A final report will be prepared following the annual audit of the City's accounts and financial statements.

Financial Implications and Impact Statement:

It must be noted that the Operating Variance report for the nine months of operations ended September 30, 2005 had projected a \$28.1 million budget shortfall for cost shared programs due to provincial subsidy shortfall for Ontario Works Cost of Administration, the Ontario Disability Support Program (ODSP) and Ontario Drug Benefit (ODB) Program. As a result, staff were directed to implement cost containment measures to offset this projected shortfall. The year-end City Operations' variance has been reduced to \$10.4 million through cost containment measures in other City Programs and the projected Agencies, Boards and Commissions' (ABCs) surplus increased to \$22.9 million due mainly to higher than anticipated Toronto Transit

Commission (TTC) revenues. Finally, significant staff initiatives in the assessment appeal process and a more aggressive approach with MPAC in ensuring supplementary assessments are advanced on a timely basis has resulted in both increased tax revenues and reduced tax deficiencies (or write-offs). In total, these measures result in a preliminary gross operating surplus of \$81.0 million.

City Council's approved surplus management policy applies any year-end surplus, in priority order, to the Capital Financing Reserve Fund (75 percent) and the remainder to any under-funded liabilities. In addition, staff must allocate a portion of the 2005 preliminary surplus to fund the Toronto Transit Commission recommended 2006 Operating Budget draw from the TTC Stabilization Reserve Fund.

Chart 1 (on the following page) outlines the recommended allocation of the 2005 preliminary operating surplus in accordance with Council policy.

Chart 1	
2005 Preliminary Year-end Surplus	
(\$ millions)	
Preliminary Gross Surplus	80.959
Toronto Transit Commission Recommended 2006 Operating Budget Draw from the TTC Stabilization Reserve Fund	(12.624)
Preliminary Net Surplus	<u>68.335</u>
Recommended Allocation per City Policy:	
Capital Financing Reserve Fund (minimum 75%)	51.252
Employee Benefits Reserve Fund	13.418
Perpetual Care of Landfill Reserve Fund	3.166
Homes for the Aged Stabilization Reserve Fund	0.500
	<u>68.335</u>

Recommendations:

It is recommended that:

- (1) the 2005 preliminary gross operating surplus of \$80.959 million be allocated to City reserve funds in accordance with the TTC recommended 2006 Operating Budget reserve fund draw and City approved policy as follows: TTC Stabilization Reserve Fund (\$12.624 million), Capital Financing Reserve Fund (\$51.252 million), Employee Benefits Reserve Fund (\$13.418 million), Perpetual Care of Landfill Reserve Fund (\$3.166 million) and Homes for the Aged Stabilization Reserve Fund (\$0.500 million);

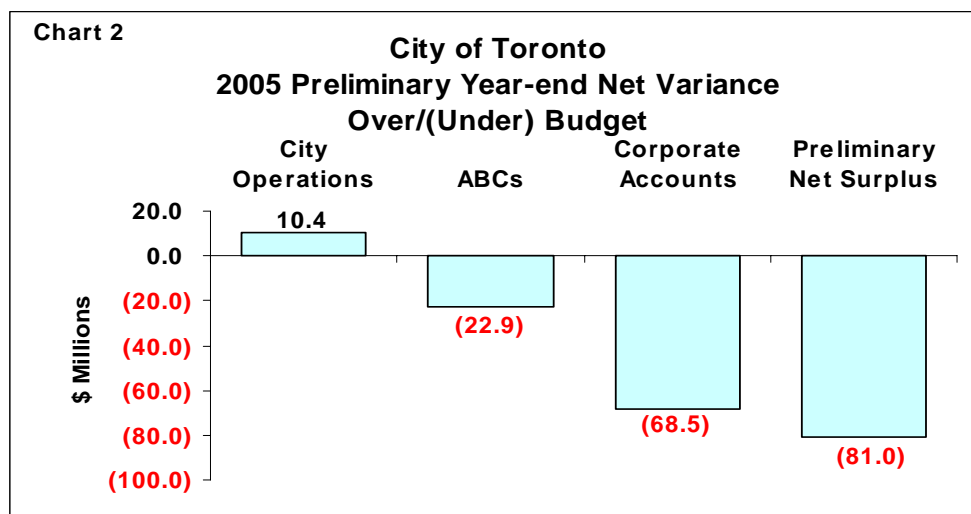
- (2) this 2005 Preliminary Year-end Operating Variance report for the year ended December 31, 2005 be forwarded to the Policy and Finance Committee for its consideration; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Comments:

Overview

This variance report was prepared based on preliminary accounting information for the year ended December 31, 2005. The annual audit of the City's accounts and financial statements will be completed in April 2006, accordingly, this variance report should be considered as preliminary.

Appendices A, B and C attached compare actual expenditures and revenues to budget for City Operations, Agencies, Boards and Commissions and Corporate Accounts. As summarized in Chart 2, City Operations were overspent by \$10.4 million, while Agencies, Boards and Commissions and Corporate Accounts were underspent by \$22.9 million and \$68.5 million respectively. In total, the City was underspent by \$81.0 million.



The following comments address the significant preliminary Program variances found in Appendices A, B and C:

City Operations:

Citizen Centred Services “A” reported a budget over expenditure of \$21.7 million.

Court Services had a \$5.0 million deficit primarily as a result of lower conviction rates due to the cancellation of court attendance by Toronto Police Service Officers and court closures from a shortage of Justices of the Peace. Additional revenue shortfalls resulted from fewer tickets being issued and the unwillingness of defendants to pay court ordered fines. Emergency Medical Services (EMS) reported an over expenditure of \$1.2 million largely due to higher than planned overtime costs related to Hospital offloading and Provincial base funding shortfalls. These unfavourable variances were partially offset by salary and benefit under expenditures and one-time Provincial funding for the Vehicle Reserve. Homes for the Aged (HFA) had a surplus of \$5.6 million, primarily the result of reduced expenditures to offset lower than anticipated revenues and base provincial program subsidies. Parks, Forestry and Recreation experienced a \$4.7 million net over expenditure primarily due to unanticipated storm damage costs, increased costs for employee benefits and various revenue shortfalls (golf fees, concessions revenue). Shelter, Support and Housing Administration reported a surplus of \$3.1 million mainly due to reductions in expenditures resulting from a lower than budgeted volume of services in Hostel Services. The over expenditure of \$21.1 million in Social Services was largely due to a Provincial funding shortfall for Ontario Works (OW) Cost of Administration (COA) of \$12.1 million; increased net costs for the Provincial Downloaded Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) Program of \$7.2 million; and net over expenditures in the OW Program of \$1.8 million.

Citizen Centred Services “B” reported a budget surplus of \$5.6 million.

Building Services had a \$1.8 million surplus due primarily to higher than planned vacancies in 2005. The under expenditure of \$8.0 million in Solid Waste Management Services was mainly attributed to lower than planned private waste tonnage received at Transfer Stations resulting in lower contracted disposal costs; processing fewer than expected tonnes of Source Separated Organic material; delays in the implementation of the Multi Unit Waste Reduction program; delays in recycling pilot projects; and various savings due to corporate cost containment measures. Transportation Services was overspent by \$3.3 million primarily due to higher than planned contracted winter maintenance and salt expenditures. These expenditures were partially offset by lower than expected costs for street lighting, equipment (communications, computers, hand tools), utility cut repair work and grass cutting.

Internal Services reported a budget surplus of \$3.1 million.

The under expenditure of \$0.4 million in the Office of the Deputy City Manager and Chief Financial Officer was the result of increased gapping and reduced discretionary expenditures to meet Council’s cost containment directions. The Office of the Treasurer showed a surplus of \$1.0 million due primarily to savings in both salary accounts (less overtime and increased gapping) and non-salary accounts. Information and Technology had a \$1.9 million favourable variance mainly due to reduced staffing required for the TELS Initiative, delays in hiring staff for the SAP Competency Centre and reduced contracted service requirements.

City Manager and Other City Programs reported a budget surplus of \$2.6 million.

The Council Budget had a year-end net under expenditure of \$1.4 million. This is primarily due to some Councillors not spending their full office budget allocation and/or opting to hire less than the 3 approved positions each.

Agencies, Boards and Commissions:

Agencies, Boards and Commissions reported a net surplus of \$22.9 million or 1.9 percent. Toronto Public Health's under expenditure of \$3.8 million was due mainly to staff vacancies (delays pending organizational restructuring and challenges in recruiting professional staff) and lower than planned spending for professional & technical contracted services. Toronto Transit Commission's (TTC) net favourable variance of \$12.5 million (Conventional and Wheel Trans) resulted primarily from increased ridership and implementation of the fare increase sooner than anticipated in 2005. Toronto Police Service's surplus of \$6.2 million is mainly the result of lower than planned salary expenditures due to the timing and increased number of separations, lower than planned medical and dental costs that have increased at a lower rate than expected in 2005, and higher than planned revenues (primarily one-time revenues from Federal and Provincial funding for special services). It is recommended that this surplus be allocated in accordance with Council policy.

Corporate Accounts:

Under expenditures of \$68.5 million in Corporate Accounts were largely due to lower than planned appeals processed/pending (Tax Deficiencies/Write-offs \$30.4 million) and higher than anticipated Supplementary Taxes (\$42.7 million). The reduced tax appeals are largely due to the Revenue Services' initiatives to provide additional support to MPAC and playing a more active role during the assessment appeal process. In addition, fewer property owners filed for assessment appeals than anticipated in 2005. The supplementary tax revenue increase is substantially higher than budget due to the more aggressive approach of the Revenue Services Assessment unit to ensure that new construction is assessed on a timely basis. Also, MPAC utilized additional resources in 2005 to assess built or renovated properties from 2004 and 2003. These positive budget variances were partially offset by increased expenditures in the vacancy rebate program (\$8.0 million) and revenue shortfalls in payments-in-lieu of taxes (\$2.2 million), tax penalties (\$1.2 million) and the City portion of Toronto Parking Authority revenues (\$1.4 million).

Non Levy Operations:

The Toronto Parking Authority (TPA) year-end unfavourable variance of \$1.8 million is mainly due to lower than planned revenues. This is primarily attributable to little change in the office occupancy rate or employment levels over the past year and drivers opting for mass transit due to higher fuel costs. Toronto Water reported an unfavourable variance of \$11.4 million primarily due to lower than budgeted revenues. Toronto Water will offset the revenue shortfall by reducing the 2005 budgeted contributions to Capital Reserves and this will not adversely affect the Capital Budget given the lower than planned completion of Capital projects in 2005.

Technical Adjustments:

Appendix D lists technical adjustments made during the fourth quarter. These adjustments realign the Council approved budget to ensure improved accountability and reporting, and do not increase the 2005 Council Approved Budget.

City Approved Surplus Management Policy:

The City's policy for disposition of operating surpluses was approved by Council at its meeting of September 28, 29, 30 and October 1, 2004, when it adopted the report "Policy on Management of Operating Budget Surplus" (Consolidated Clause in Report No. 7 of the Policy and Finance Committee), which recommended that "starting with fiscal 2005, for any surplus, the Chief Financial Officer and Treasurer be authorized to apply any additional (unbudgeted) surplus, in priority order to:

- (a) Capital Financing Reserve Fund (at least 75 percent of the additional surplus); and
- (b) the remainder to fund any under-funded liabilities, and/or reserves/reserve funds, as determined by the Chief Financial Officer and Treasurer".

The City has an unprecedented budget shortfall for 2006 and the companion report on Reserve Management allocations recommends significant reserve fund draws for the 2006 Operating Budget. Therefore, other than legislated (Federal/Provincial) transfers of 2005 surpluses to reserve funds (eg. National Child Benefit Support), previously adopted Municipal directions regarding surpluses are superseded by the City's new policy for disposition of operating surpluses.

2005 Preliminary Year-end Surplus Allocation:

The 2005 preliminary gross operating surplus of \$81.0 million has been reduced by a contribution to the TTC Stabilization Reserve Fund (\$12.6 million) to accommodate the Toronto Transit Commission recommended 2006 Operating Budget draw from that reserve fund. The remaining preliminary net operating surplus of \$68.3 million should be allocated to City reserve funds in accordance with City approved policy as follows: Capital Financing Reserve Fund (\$51.3 million), Employee Benefits Reserve Fund (\$13.4 million), Perpetual Care of Landfill Reserve Fund (\$3.2 million) and HFA Stabilization Reserve Fund (\$0.5 million).

The Capital Financing Reserve Fund contribution is to be utilized in the 2006 Operating Budget as a potential source of revenue to offset debt charge expenditure pressures. The Employee Benefits Reserve Fund and the Perpetual Care of Landfill Reserve Fund contributions are minimal amounts required to meet significant liabilities. The HFA Stabilization Reserve Fund contribution is necessary to fund a reserve draw included in the 2006 HFA Operating Budget as recommended by BAC.

Conclusion:

A 2005 preliminary year-end net budget surplus of \$68.3 million is estimated at this time. The reserve contributions from the 2005 preliminary net operating surplus are highlighted in the

companion report on Reserve Management allocations to the 2006 other corporate revenues, which will mitigate 2006 tax increases and/or significant service cuts. Thus, the reserve account allocations in 2005 are utilized as a 2006 source of operating budget revenue pending new revenues from the Province.

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List of Attachments:

Appendix A – Net Expenditures
Appendix B – Gross Expenditures
Appendix C – Gross Revenues
Appendix D – Technical Adjustments

The Policy and Finance Committee also submits the report (March 23, 2006) from the Deputy City Manager and Chief Financial Officer entitled “Reserve Contribution to 2006 Operating Budget”:

Purpose:

The purpose of this report is to identify funds from reserve accounts that could be applied as a one-time funding source to the 2006 Operating Budget funding gap, in order to avoid significant services and/or significant increases in property taxes.

Financial Implications and Impact Statement:

The 2006 Base Operating Budget already includes \$37 million of draws from reserve funds to support Social Service cost shared programs such as the Social Assistance Stabilization Reserve Fund, Ontario Works Reserve Fund and Kids@Computer Reserve Fund, exclusive of funding for the TTC and new/enhanced services. This report identifies withdrawal of up to an additional \$112.862 million from a variety of reserve and reserve funds, both Council directed and obligatory, for a total of approximately \$160 million to be utilized as a one-time funding source for the 2006 Operating Budget.

The recommended additional draws from reserve accounts are being transferred from accounts which (1) Council has already mandated to be closed, (2) are no longer required or (3) minimize the impact on City operations in the short run. Some of the recommended withdrawals are from accounts which normally would finance capital expenditures and so, in the long run, the City's debt financing will increase as a consequence of these withdrawals unless capital expenditure plans are reduced in the future. As well, some of these accounts have supported the operating budget in previous years and the increased utilization this year will create an operating budget

pressure in 2007 and beyond. The impact of the recommended action will be reviewed as part of the 2007 and 2008 budget process and will adversely affect both the capital and operating expenditure plans.

The table below summarizes the types of withdrawals:

2006 Reserve Fund Withdrawals	
	\$000s
Appendix A – Previously Approved	741.1
Appendix B – Additional Deletions	6,937.0
Appendix C – To Be Reduced	105,183.90
Maximum Total	112,862.0

Recommendations:

It is recommended that:

- (1) Council reaffirm its previous decision that reserve accounts in Appendix A are no longer required, and to transfer the remaining balances to general revenue (other corporate revenues) and close the accounts;
- (2) Council declare that accounts in Appendix B are no longer required, transfer the indicated balances to general revenue (other corporate revenues) and close the accounts;
- (3) Municipal Code Chapter 227 [Reserves and Reserve Funds] be amended by deleting the accounts in Appendix A and Appendix B, as per Recommendations No. 1 and 2 above;
- (4) Council determine the amount of funds required to balance the 2006 Operating Budget given Recommendation No. 1 and 2 above and declare sufficient reserve funds to be identified from the prioritized list in Appendix C, as surplus to the City's needs at this time;
- (5) Council authorize the Deputy City Manager and Chief Financial Officer to (1) transfer funds from the accounts identified in Recommendation No. 4 to either general revenues (other corporate revenues) or the 2006 Operating Budget revenues for the appropriate Divisions, (2) reallocate tax revenue support from Programs where transfers will occur and (3) amend the 2006 Operating Budget accordingly;
- (6) the Deputy City Manager and Chief Financial Officer be authorized to make adjustments to the amounts outlined in the above recommendations as necessary to reflect the finalization of 2005 reserves and reserve funds accounts and other budgeted withdrawals; and
- (7) 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.

Background:

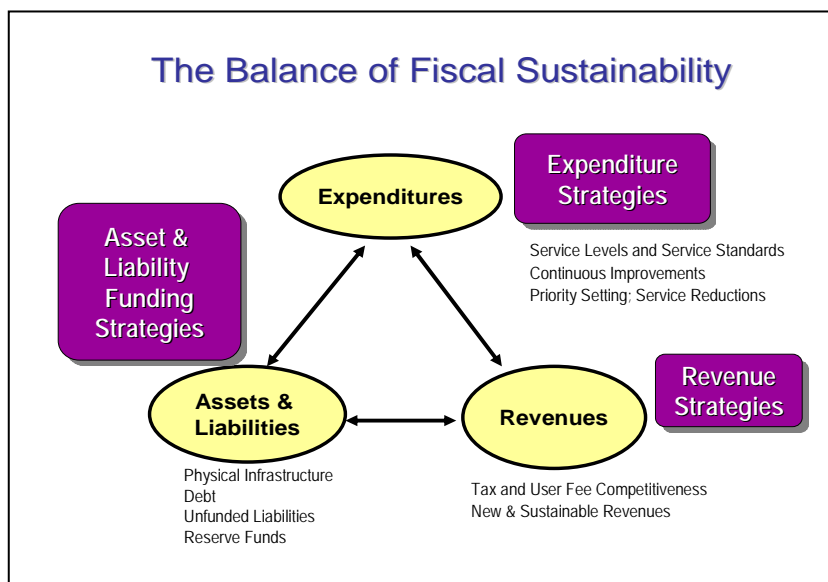
At its meeting of May 18, 19, 20, 2004, Council adopted Clause 8 of the Policy and Finance Committee Report No. 4 entitled 'Consolidation of Reserve Funds' which among other recommendations identified a number of inactive reserve funds which had not been utilized and are not part of future financial plans. Council directed that "the Chief Financial Officer and Treasurer consult with Departments, Agencies, Boards and Commissions to utilize available reserve funds which no longer are required, based on the understanding that the funds need to be applied for the purposes for which they were acquired". The report suggested that at the end of the two years a report would be submitted to examine the circumstances concerning any remaining funds in these accounts.

At its joint meeting of the Policy and Finance and Budget Advisory Committees on January 4, 2006 as part of the presentation of the 2006 Operating Budget, it was indicated that in order to assist in balancing the 2006 Operating Budget significant draws from reserve accounts would be required.

This report identifies reserve funds to be utilized as a one-time funding source for the 2006 Operating Budget including the final disposition of the inactive reserve funds identified in the 2004 report.

Comments:

The success of a long term fiscal plan depends on a balancing of three components of fiscal sustainability – expenditures; revenues; and assets and liabilities. For example, excessive cost reductions on the expenditure side will result in degradation of physical infrastructure through deferral of asset replacement or increasing maintenance backlog. Also, higher property taxes on businesses will lower the City's tax competitiveness. The following diagram provides a schematic representation of the balancing of the three components:



Reserve Accounts:

Reserves and reserve funds form an integral part of sound financial management and planning, as a component of the asset and liability leg of the above noted triangle, whereby revenues from one period can be set aside to accumulate and finance planned expenditures in a future period. They are used to:

- (a) anticipate potential liabilities and to provide resources, when and if, these liabilities have to be funded (such as the employee benefit reserve fund);
- (b) even the flow of disbursements over a time period so that there are not significant impacts on the tax rate due to the fluctuations of expenditures (such as a social services reserve);
- (c) accumulate funds in anticipation of a large purchase (such as major building/construction capital fund); and
- (d) provide a pool of funds to self-finance an on-going activity (such as an insurance reserve fund).

Reserves and reserve funds have designated purposes and are created through the specific authorizations of Council. The major difference between the two, in the City's practice, is that 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. As such, the assets of reserve funds are segregated and restricted to the purpose of the reserve funds and generally they may be combined for investment purposes.

Reserves:

The authorization for the creation of a reserve is governed by the *Municipal Act, 2001*, subsection 290 (3) which states that:

"In preparing the budget, the local municipality may provide for such reserves as the municipality considers necessary."

A reserve is funded by contributions from the operating budget at the discretion of Council, after provision for projected expenditures. It has no reference to any specific asset and does not require the physical segregation of money or assets as in the case of reserve funds. The creation or increase of a reserve should only be reported as appropriations to reserves on the Consolidated Statement of Operations of the City and not as an expenditure. Likewise, the decrease of a reserve should only be reported as appropriations from reserves on the Consolidated Statement of Operations of the City. The actual expenditure for the reserve should be reported as an expenditure for current or capital operations.

Reserve Funds:

Reserve funds have designated purposes and are created through the specific authorizations of Council under sections 293 and 417 of the *Municipal Act, 2001*.

Section 293 states: “The Minister may make regulations,

- (a) requiring a municipality to establish a reserve fund designated for prescribed liabilities of the municipality which are incurred but not payable until later years;
- (b) defining "liabilities" of the municipality which are incurred for the purpose of clause (a);
- (c) requiring a municipality to make payments into the reserve fund to fund all or part of a prescribed liability at the prescribed times and in the prescribed manner;
- (d) prohibiting the municipality from changing the purpose for which the reserve fund is designated;
- (e) prescribing the conditions under which and the purposes for which the municipality may,
 - (i) change the designation of all or any part of the reserve fund; and
 - (ii) borrow from the reserve fund.”

Subsection 417 (1) states that: “Every municipality and local board, as defined in the *Municipal Affairs Act*, and any other body exercising a power with respect to municipal affairs under any Act in unorganized territory may in each year provide in its budget for the establishment or maintenance of a reserve fund for any purpose for which it has authority to spend money”.

There are two types of reserve funds: obligatory and discretionary (Council directed).

Obligatory Reserve Funds:

Obligatory reserve funds are governed by legislation or agreement, and require revenue received for the special purpose(s) to be segregated from the general revenues of the municipality. They must be created whenever a statute or an agreement requires revenues received for a special purpose to be used solely for the purpose described for them in the statute or agreement, so as to segregate such funds until they are spent. Some examples would be surplus parking revenues under subsection 200(1) of the *Municipal Act, 2001*, funds received in lieu of land for parks purposes as set out under Subsection 42(14) and (15) of the *Planning Act* or funds received as development charges under the *Development Charges Act, 1997*. Similarly, where the City is contractually bound to spend money derived from a contract for a particular purpose or other obligation results in the receipt of funds, an obligatory reserve fund must be created to segregate the funds until such time as they are expended as an operating budget object or a capital project. Some examples would be agreements under section 37 of the *Planning Act* or funds received from other levels of government for non-profit housing.

For financial reporting purposes, obligatory reserve funds are reported as deferred revenues on the consolidated statement of financial position as prescribed by the Canadian Institute of Chartered Accountants.

Discretionary Reserve Funds:

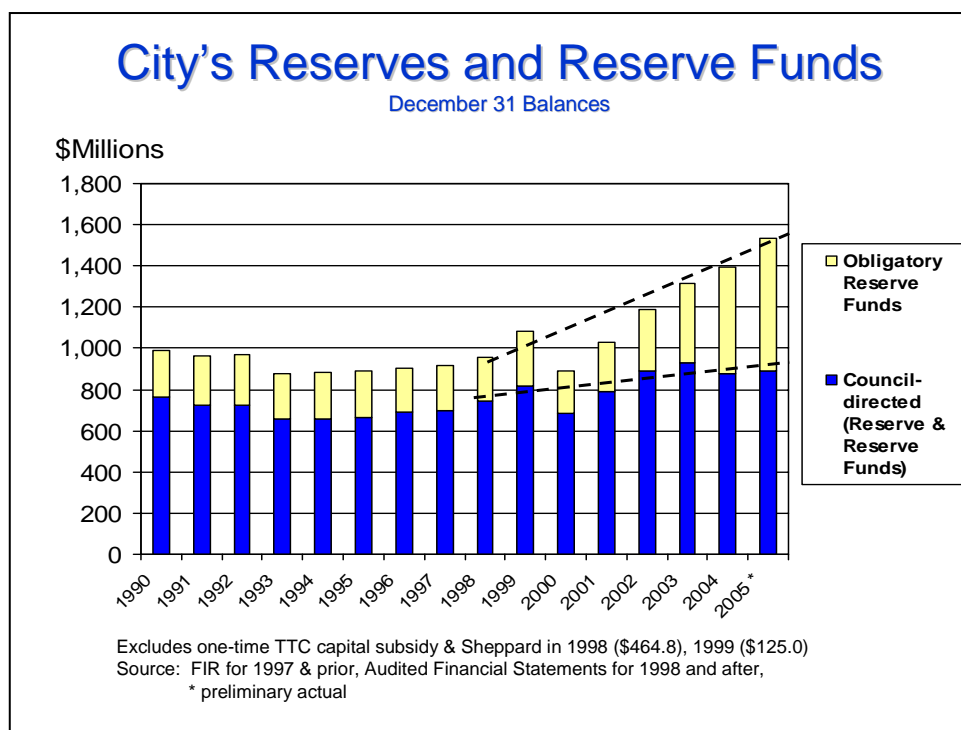
Discretionary reserve funds may be established whenever a municipal council wishes to earmark revenues to finance a future expenditure for which it has the authority to spend money, and physically set aside a certain portion of any year's revenue so that the funds are available as required in subsequent years. The Provincial guidelines suggest that “municipalities create new reserve funds or additional allocations to a reserve fund through the estimates process, defining

the purpose for which the reserve fund is being created". The general *Municipal Act, 2001* (section 417) provisions regarding reserve funds allow for a number of different purposes such as future expenditures on land acquisition, buildings, capital projects, vehicle replacement, insurance, and employee benefits. The main difference between these funds and reserves is that interest is applied in the case of reserve funds, and forms part of the reserve fund.

When the funds in a discretionary reserve fund are no longer required because the purpose for which the funds were set aside is no longer part of the municipality's plans, the funds can be withdrawn from the account and returned to general revenues.

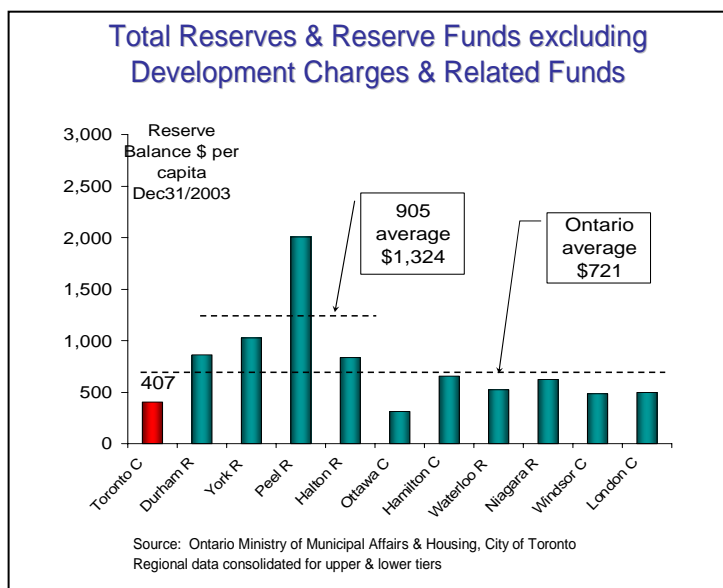
History of Reserve Accounts in the City:

The table below of the year-end reserve account balances since the 1990s indicates that since amalgamation the total of the reserves and discretionary reserve funds has been relatively stable and that the recent growth has mainly been in obligatory reserve funds.



Consequences:

The City's reserve accounts are under-funded for its outstanding liabilities, risks and capital requirements in the long run as identified in previous reports to Council. As well, the City's per capita reserves are low in comparison to the municipalities as noted in the chart below.



Since amalgamation, the major reserve/reserve funds have been reviewed on the basis of their adequacy vis-à-vis the liability, risk or capital object that they were intended to support. In virtually all areas of risk reviewed to date, the amount of funds held by the City has been deemed to be inadequate. The Long Term Fiscal Plan report considered by Council in 2005 outlined the significant shortfall as noted in the table below:

Selected Reserve /Reserve Fund	Reserve Inadequacy
Capital e.g. transit, roads, vehicle & equipment replacement, buildings & facilities	\$2.3 Billion +
Operating e.g. employee benefit, social assistance stabilization, social housing stabilization, insurance	\$2.1 Billion +
Total reserve inadequacy	\$4.4 Billion +

Reserve Review:

Any review of reserve accounts to determine whether a particular account is still serving its original purpose requires a judgement about the 'risk' that the original account was established to protect the City against in the first place. If the purpose is no longer useful for the financial planning for the City, then the remaining funds can be transferred to general revenues or some other revenue account and the account can be closed. It was previously determined in 2004 that there were a number of legacy accounts from the former municipalities that were no longer required for the purposes set out.

The 2006 Operating Budget has presented the City with extraordinary financial pressures. Although there have been positive indications from the Provincial Government regarding new funding to address the City's fiscal imbalance, these are unlikely to be sufficient revenues to

balance the 2006 Operating Budget. As a result, the Budget Advisory Committee has directed staff to review the uncommitted balances in the reserve accounts to determine where funds can be withdrawn without jeopardizing the City's financial position. This resultant review was based on the following principles:

- (1) funds remaining in inactive accounts should be spent in two years and therefore the funds identified in the above-noted 2004 report on reorganizing the reserve accounts should be closed, given that two years have elapsed;
- (2) funds remaining in accounts which are deemed to be no longer necessary should be spent;
- (3) funds available in accounts over and above those identified as necessary in the 2006 Operating Budget and as necessary for capital purposes for the years 2006-8 provided in the 2006 Capital Budget; and
- (4) funds that could be extracted from accounts where the withdrawal is deemed to be of minimal impact to the City's ability to counter a potential liability/risk in the next three years.

Previously Identified Accounts (Appendix A):

The two years that were suggested in the previous reserve consolidation report have elapsed. Originally, there were 19 discretionary (Council directed) reserve funds and 5 obligatory reserve funds on the list. Appendix A is a list of the remaining reserve funds which still have uncommitted funds. Given that two years have elapsed, it is recommended that the remaining uncommitted funds in these accounts be transferred to general revenues (other corporate revenues) and the reserve accounts be closed. The total amount of funds available from these reserves which would be transferred is \$741,100 from 18 accounts.

Additional Accounts Recommended for Closing (Appendix B):

Appendix B is a list of additional accounts whose purposes have been eclipsed in the new City and are thus available to be reallocated to other purposes. It is being recommended that the remaining uncommitted funds be transferred to general revenues (other corporate revenues) and the reserve accounts closed. The total amount of funding from the transfer and closing of these accounts is \$6,937,000 from 10 accounts.

Accounts with Reduced Risk (Appendix C):

Given the inadequacy of reserve funds corporately, any possible reductions must be analyzed by account to balance both short term and long term needs. To ensure that funds were not declared surplus from an account which had immediate requirements, the accounts in all the appendices are presented with (1) their projected January 1, 2006 opening balances, (2) an estimate of future commitments based on the City's 2006 net operating budget requirements and 2006 to 2008 capital requirements, (3) an estimate of the uncommitted balance based on the above information and (4) an estimate of the quantum of funds which could be withdrawn from an account.

Assuming that the sources of funds provided in Appendix A and B are inadequate to meet the 2006 Operating Budget funding gap, it is recommended that Council determine the amount of additional funding required to be declared surplus and withdrawn from the accounts in Appendix C. The accounts in Appendix C are listed in priority order per financial plans should

Council decide that not all of the funds identified in Appendix C are required to fund the 2006 Operating Budget funding gap. The rationale for this order is in terms of the long term impact that a withdrawal of funds would have on the City's financial position and the outstanding long term potential draws on the remaining funds. For instance, City Parking, Waste Management, Arbitration-Legal Awards and Scarborough Civic Centre Expansion have no budgeted commitments prior to 2009. The accounts at the end of the list including Social Housing Stabilization have significant long term requirements beyond 2008 and it would be best to preserve these reserve balances. The last reserve account is the Capital Financing Reserve which includes the transfer of 2005 surplus funds per Council policy and as outlined in the 2005 Operating Preliminary Variance report. The reserve draw of \$44 million is utilized to offset the 2006 budget increase in debt charges. The total amount of funding that can be considered from the transfer of these accounts in Appendix C is \$105,183.9 from 10 reserve accounts.

Funds from most of the reserves, should a portion of their funds be deemed surplus, can be transferred to general revenues. However, in the case of the Social Assistance Stabilization Reserve Fund and the Social Housing Stabilization Reserve Fund, the funding should be transferred to a revenue account within the 2006 Operating Budgets of the respective Programs - namely Social Services and Shelter Housing and Support should these accounts be used. Therefore, it is recommended that the Deputy City Manager and Chief Financial Officer be authorized to transfer the appropriate funds from the appropriate accounts and amend the 2006 Operating Budget accordingly based on the quantum of funds deemed by Council to be necessary to balance the 2006 Operating Budget based on the priority order of accounts in Appendix C.

Below is a summary of the recommended withdrawals from specific reserve and reserve funds should Council need to declare as surplus in the order of \$112.862 million to provide a funding source for the 2006 Operating Budget.

2006 Reserve Fund Withdrawals	
	\$000s
Appendix A – Previously Approved	741.1
Appendix B – Additional Deletions	6,937.0
Appendix C – To Be Reduced	105,183.9
Maximum Total	112,862.0

The recommended use of the funding from reserves and reserve funds in the 2006 Operating Budget is an extraordinary event which can only be justified on the basis that a new long term funding arrangement with the two other orders of government will be realized in 2006 and beyond.

Conclusions:

In order to provide funds to balance the 2006 Operating Budget, it is being recommended that (1) reserve accounts previously identified as unnecessary in 2004 have their uncommitted balances transferred to general revenue, (2) reserve accounts identified in this report as unnecessary have their uncommitted balances transferred to general revenue and (3) certain accounts have their uncommitted balances reduced in the short run and transferred to a variety of revenue accounts in the 2006 Operating Budget. The maximum amount recommended for withdrawal is \$112.862 million.

Use of funds in this manner is an extraordinary decision needed to avoid significant service reductions and/or significant increases in property taxes. Resolving the City's fiscal situation will require a strong and committed partnership between the City, the Provincial and Federal governments.

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Appendix A – Previously Identified Accounts to be Depleted and Closed

Appendix B – Additional Accounts to be Depleted and Closed

Appendix C - Accounts to be Reduced

APPENDIX B
ADDITIONAL ACCOUNTS TO BE DEPLETED AND CLOSED
(\$ 000s)

ACCOUNT	PURPOSE	Opening Balance Jan. 1/06	Commitments 2006 - 2008	Uncommitted Balance	Est. To Apply To 2006	Capital or Operating	Comments
Emergency Technology Acquisition (XR1502)	Provides funding for the internal leasing of technology acquisitions.	3,771.8	0.0	3,771.8	3,771.8	C	Used to fund emergency computer acquisitions pre TELS
Division # 43 City Capital (XR1710)	Provides funding for defraying the building costs for the reconstruction of Toronto Police Division # 43	1,290.0	0.0	1,290.0	1,290.0	C	Full funding already in 2005 capital budget; funding no longer required
Housing Property Title Normalization (XR1107)	Provides funding to mitigate a potential financial liability to the City arising from the need to analyze and rectify real estate title irregularities for properties transferred by the Province to MTHC under the SHRA.	733.4	0.0	733.4	733.4	O	
Contingency Appeals (XQ1500)	Provides funding to be used for refunds for POA appeals.	1,061.0	747.5	313.5	313.5	O	
Efficiency Incentive Fund (XR1712)	Provides fund to facilitate transition to optimal and sustained efficient delivery of City services by assisting programs with funds to cover start-up costs associated with implementation of efficiency initiatives.	308.0	0.0	308.0	308.0	O	
Capital Leverage Homeless Initiatives (XR1042)	Provides funding to support capital projects for homeless people.	295.4	0.0	295.4	295.4	O	
Building Maintenance (XR1014)	Provides funding for the rehabilitation and major repairs of buildings	116.4	0.0	116.4	116.4	C	
Telecommunications Development (XR1601)	Provides funding for initiatives that further develop the City's strategy with respect to telecommunications matters.	257.5	200.0	57.5	57.5	O	
Productivity Improvement (XR1009)	Provides funding for productivity improvement projects arising from corporate initiatives.	36.2	0.0	36.2	36.2	O	
Home Improvement (XR1303)	Provides funding for residential owners to cover principal payments of Home Improvement Loans.	166.2	151.4	14.8	14.8	O	
SUB-TOTAL					6,937.0		

APPENDIX C

ACCOUNTS TO BE REDUCED (\$ 000s)

ACCOUNT	PURPOSE	Opening Balance Jan. 1/06	Commitments 2006 - 2008	Uncommitted Balance	Est. To Apply To 2006	Capital or Operating	Comments
Social Assistance Stabilization (XR1054) Client ID & Benefits (XR1055)	Provides funding to stabilize social assistance costs resulting from changes in caseload. Provides funding to cover the contracted costs incurred for the Client Identification and Benefits System until such time as the annualized savings resulting from the implementation of the Client Identification and Benefits System are fully realized.	57,277.5	31,975.4	25,302.1	25,302.1	O	Review and consider full utilization in 2006
City Parking (XR1015)	Provides for the accumulation of net proceeds from municipal parking operations. Monies are to be applied first, to principal and interest on debentures, second, to new facilities, third, to general purposes as determined by Council.	4,511.6	2,500.0	2,011.6	2,011.6	O	Obligatory Reserve Fund - 2006 transfer for program review initiatives
Scarborough Civic Centre Expansion (XR1038) Arbitration-Legal Awards (XR1709)	Provides funding for various capital projects in the Scarborough Civic Centre Complex. Provides funding for the costs of arbitration, awards and legal claims.	9,553.0	0.0	9,553.0	5,000.0	C	Obligatory Reserve Fund; to be utilized over 2006/7
Winter Control Stabilization (XR1405)	Provides funding for unbudgeted snow removal operating costs and to smooth the operating expenditures from year to year.	1,673.6	0.0	1,673.6	800.0	C	
Capital Revolving Fund-Affordable Housing (XR1058)	Provides funding for non-profit organizations including the Toronto Housing Company for capital costs for affordable housing. Monies are to be applied to proposal development funding for affordable housing projects, project development assistance, including forgivable loans/repayable loans, project financing (i.e., second mortgage loans) and other activities related to improving the quality/quantity of affordable housing supply in the City.	4,012.0	0.0	4,012.0	1,000.0	O	
Mayor's Homeless Initiatives (XR1104)	Provides funding for on-time capital support to projects which help homeless people move towards stable housing, in particular, hostel users, street homeless and high risk groups identified by the Mayor's Homelessness Action Task Force.	11,738.5	0.0	11,738.5	1,000.0	O	Need to protect from adverse weather risks such
Social Housing Stabilization (XR1106)	Provides funding to mitigate the financial exposure associated with Social Housing Devolution, including the following purposes: 1. For stabilization of in-year variances as well as unanticipated year-to-year expenditure fluctuations, to help minimize or phase in their impacts on the property tax rate; 2. To supplement funds for capital repairs, in regard to urgent needs or phase-in toward higher funding levels; and 3. To fund other potential liabilities as they arise.	29,344.5	19,819.4	9,525.1	9,525.1	O	
Capital Financing (XR1011)	Provides funding for capital expenditures.	6,329.4	4,860.7	1,468.7	1,468.7	C	Social Housing Stabilization account has replaced need for this account
		40,612.7	23,258.9	17,353.8	4,300.0	O	Required for long term capital liability of \$1 B; to be utilized over 2006-9
		104,494.0	24,582.0	79,912.0	54,776.4	C	To partially offset the 2006 debt service charge increase
SUB-TOTAL					105,183.9		

The Policy and Finance Committee also submits the report (March 3, 2006) from the Treasurer entitled “2005 Reserve and Reserve Fund Preliminary Variance Report”:

Purpose:

To provide preliminary information on reserve and reserve fund balances as at December 31, 2005 and activity in reserves and reserve funds during the year then ended.

Financial Implications and Impact Statement:

There are no financial implications contained in this report

Recommendations:

It is recommended that the 2005 Reserve and Reserve Fund Preliminary Variance Report be forwarded to the Policy and Finance Committee and Council for information.

Background:

The activity and balances in reserves and reserve funds is reported on a quarterly basis throughout the year to Budget Advisory Committee. During consideration of the final 2004 Variance Report on Reserves and Reserve Funds, Council also requested that the Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee and the Policy and Finance Committee on 2005 transfers to reserves and reserve funds that were not part of the 2005 Council approved budget. This report provides those details for the fourth quarter of 2005 in Table 3 and information on the nature and authority for the transfers made. Table 4 to this report provides similar information on draws from reserves and reserve funds during the fourth quarter of 2005.

Comments:

This report has been developed based on 2005 reserve and reserve fund information available as of February 21, 2006. The balances and summaries of transactions presented in the appendices to this report are preliminary as our year-end closing is not fully completed as of this date. In prior years, it was the practise to transfer certain surpluses into reserves or reserve funds that had been established by Council for specific programs as a part of year-end closing procedures. This practise has been discontinued in 2005. Program surpluses will be identified and recommendations will be made on their disposition by the Deputy City Manager and Chief Financial Officer in the preliminary and final operating variance reports for 2005.

2005 Variance Summary:

Actual balances for reserves and Council-directed reserve funds as at December 31, 2005, and December 31, 2004, and balances budgeted as at December 31, 2005 are summarized in Table 1 below. The fund balances are higher than budget due mainly to (1) reduced capital spending compared to budget; and (2) higher than anticipated contributions to reserve (i.e., development charges).

Table 1 Reserve and Council Directed Reserve Fund Balances (\$ Millions)			
Description	December 31, 2004 Actuals	December 31, 2005 Actuals	December 31, 2005 Budgeted
Reserves			
Corporate	160.8	181.6	133.9
Water / Wastewater	18.0	14.8	8.5
	178.8	196.4	142.4
Council directed reserve funds			
Employee benefits	238.3	227.6	211.6
Stabilization	162.4	123.0	113.6
Corporate	183.6	215.1	164.4
Community initiatives	48.2	54.6	25.4
State of good repair	67.4	73.8	67.2
	699.9	694.1	582.2
Total Reserves and Council directed reserve funds	878.7	890.5	724.6

Obligatory reserve funds are summarized in the table below and are reported as deferred revenue in the consolidated financial statements in accordance with requirements of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Actual balances for these reserve funds as at December 31, 2005 and December 31, 2004 and balances budgeted at December 31, 2005 are summarized in Table 2 below.

Table 2 Obligatory Reserve Fund Balances (\$ millions)			
Description	December 31, 2004 Actuals	December 31, 2005 Actuals	December 31, 2005 Budgeted
Obligatory reserve funds			
Development charges	149.2	187.9	122.3
Community services	115.5	105.3	96.6
Parkland acquisition	53.8	72.7	54.8
Third party agreements	59.0	81.4	65.0
State of good repair	24.7	22.8	21.5
Water/wastewater	99.6	155.8	9.4
Parking Authority	6.8	6.4	5.1
Planning Act	8.1	9.3	9.1
Donations	2.4	2.5	2.2
Total Obligatory reserve funds	519.1	644.1	386.0

Fourth quarter transfers to reserves and reserve funds that were not budgeted in the 2005 Council approved budget are listed below in Table 3 along with comments on the nature and authority of the transfers made.

Table 3 Transfers to reserves / reserve funds from operating and capital		
Description	Amount (\$000)	Comments
Reserves		
Vehicle and Equipment Replacement	422.2	Vehicle Sales
	236.9	Auction proceeds
Vehicle and Equipment Replacement – Water and Wastewater	46.2	Auction proceeds
	705.3	
Council directed reserve funds		
Land Acquisition	1,045.5	Return of funding from closing of capital projects in Parks, and Facilities and Real Estate.
Social Housing Stabilization	839.7	Transfer of escrow mortgage funds from the Ontario Ministry of Municipal Affairs and Housing as per Policy and Committee Report 4, Clause 11, adopted by Council May 21, 22, and 23, 2003.
Capital Financing	913.7	Release of holdback on settlement of MFP lawsuit in accordance with Policy & Finance Committee Report 9, Clause 35, adopted by Council Oct 26, 27, 28, and 31, 2005.
Exhibition Place Stabilization	155.6	Transfer from 2004 year-end surplus as per Policy and Finance Committee Report 5, Clause 37, adopted by Council May 17, 18, and 19, 2005.
North York Performing Arts Centre Stabilization	205.7	
	597.5	Transfer of 2004 North York Performing Arts Centre operating surplus.
Union Station		
Arbitration and Legal Awards	117.7	Transfer of 2005 net operating revenue for Union Station as per Administration Committee Report 8, Clause 1, adopted by Council July 22, 23, and 24, 2003.
		Transfer of proceeds from Croplife Canada upon settlement of legal action.

	3,875.4	
Obligatory reserve funds		
Wastewater Capital	324.4	Return of funding upon closing of Wastewater capital projects.
Water Capital	124.7	Return of funding upon closing of Water capital projects.
National Child Benefit Support	5,494.9	2005 savings from National Child Benefit (NCB) programs in accordance with provincial reinvestment requirements.
Parkland Acquisition/New Development	1,167.5	
Homes for the Aged	1,652.9	Return of funding upon closing of Parks capital projects.
		Transfer of 2005 structural compliance revenue from the Provincial Ministry of Health and Long Term Care as per Policy & Finance Committee Report 11, Clause 24, approved by Council Dec 14, 15, and 16, 1999.
	8,764.4	

Fourth quarter draws on reserves and reserve funds that were not budgeted in the 2005 Council approved budget are listed below in Table 4 along with comments on the nature and authority of the draws made.

Table 4 Transfers from Reserves/Reserve Funds to Operating and Capital		
Description	Amount (\$000)	Comments
Reserves		
Wastewater Stabilization	3,683.2	Transfer to fund 2005 deficit in wastewater operations
	3,683.2	
Council directed reserve funds		
Employee Benefits and Hummingbird Stabilization	47.2 29.9	Reimbursements to Hummingbird for purchase of OMERS omission period contributions in accordance with Policy and Finance Committee Report 4, Clause 6, adopted by Council on May 18, 19, and 20, 2004.

Provincial Offences Courts Stabilization	86.3	Completion of funding budgeted in prior years for courthouse facilities renovations but not expended.
Social Housing Stabilization	1,090.8	Funding of loan to Maurice Coulter Housing Co-operative for capital repairs according to Policy and Finance Committee Report 4, Clause 6, adopted by Council on Apr 12, 13, and 14, 2005
	5,000.0	Funding of capital repairs to Toronto Community Housing Corporation buildings according to Policy and Finance Committee Report 8, Clause 44, adopted by Council on Sep 28, 29, and 30, 2005.
	6,254.2	
Obligatory reserve funds		
Alexander St Theatre Project	50.2	Funding for capital repairs to the Buddies in Bad Times Theatre as provided in Executive Committee Report 3, Clause 52, adopted by former City of Toronto, Jan 23, 1991.
Public Arts	134.7	Funding of expenses for Princes' Gates Commemorative Open Space Design Competition as provided by Economic Development and Parks Committee Report 3, Clause 9, adopted by Council Apr 12, 13, and 14, 2005
Social Housing Federal	1,636.2	Funding of loan to Maurice Coulter Housing Co-operative for capital repairs according to Policy and Finance Committee Report 4, Clause 6, adopted by Council on Apr 12, 13, and 14, 2005
	1,821.1	

Detailed Reserve and Reserve Fund Account Analyses:

Transfers budgeted to and from reserves and reserve funds agree with amounts included in operating and capital budgets approved by Council in April 2005 as well as other transfers subsequently approved by Council. Reserve fund interest is budgeted based on estimated monthly balances in reserve funds and an interest rate of 5.9 percent projected on the City's investment portfolio for 2005. Other reserve fund revenues are in the form of contributions (e.g. development charge fees, proceeds from property sales) and are budgeted in consultation with appropriate divisions based on estimates of economic activity relating to those sources.

A summary of transactions in reserves and reserve funds during the year ended December 31, 2005, and balances budgeted at December 31, 2005, is provided for each of the reserves and reserve funds in Appendices A, B and C. The date of the last transaction processed (other than interest allocations) and the amount of uncommitted funds after financing capital expenditures budgeted for the 2006-2009 period is also provided for each reserve and reserve fund. The commitments against reserves and reserve funds are based on financing identified as a part of 2005 budget approved by Council and will be updated in future quarterly variance reports for financing identified as a part of the 2006 budget approved by Council.

Amounts reported for uncommitted funds have been determined by reducing actual balances in reserves and reserve funds as at December 31 by outstanding funding obligations as at that date. Funding commitments for certain capital projects in the 2006-2009 period are dependent on funds not currently available in reserves and reserve funds but, in most cases, expected to be generated in 2006 and subsequent years. In these instances, uncommitted funds are reflected as negative balances.

The reserves and reserve funds with negative uncommitted balances are: the Vehicle and Equipment Replacement Reserve for Water and Wastewater and the Water Capital, Wastewater Capital, Provincial Gas Tax Revenues for Public Transit, and Wychwood Car Barns Redevelopment. The negative uncommitted balances in the Vehicle and Equipment Replacement Reserve for Water and Wastewater, and Water Capital and Wastewater Capital reserve funds are expected to be offset by operating contributions from the Water and Wastewater programs in future years. The negative uncommitted balance of \$644.8 thousand in the Provincial Gas Tax Revenues for Public Transit reserve fund is the result of actual gas tax revenues falling short of the amount budgeted and has also resulted in a 2005 operating budget shortfall in Non Program from this funding source. The negative uncommitted balance in the Wychwood Car Barns Redevelopment reserve fund is expected to be eliminated by a Section 37 contribution which has yet to be received.

Appendix A provides details for reserves, Appendix B provides details for Council directed reserve funds and Appendix C provides details for Obligatory reserve funds.

Transactions for the year include the following:

- (i) allocation of interest to reserve funds;
- (ii) receipt of contributions designated for reserve funds from third parties;
- (iii) entries which fund or draw from stabilization reserves and reserve funds;
- (iv) funding of actual operating and capital expenditures as provided for in 2005 budgets;
- (v) funding of operating accounts for refunds or payments where proceeds had been originally credited to a reserve fund; and
- (vi) funding for property acquisitions and disposals.

Most variances between budgeted and actual transfers to or from operating funds result primarily from funding requirements that are processed on the basis of actual results for the year rather than budgeted amounts. Variances between budgeted and actual transfers to capital funds relate to the funding of capital projects based on actual capital expenditures incurred.

Reserves:

Preliminary year-end balances for reserves increased by \$17.6 million from \$178.8 million at the beginning of the year to \$196.4 million at December 31, 2005, as transfers of \$50.5 million from operating programs exceeded required funding for capital projects of \$32.9 million. This resulted primarily from the deferral of \$30.0 million in capital funding required for the replacement of vehicles and equipment from the Vehicle & Equipment Replacement reserve.

Reserve Funds:

Council directed reserve fund preliminary balances decreased by \$5.8 million from \$699.9 million at the beginning of the year to \$694.1 million at December 31, 2005. This decrease was less than the projected decrease of \$117.7 million primarily because of:

- (a) The deferral of a \$20 million transfer from the Land Acquisition reserve fund to Non-program in the Operating Fund for provincial debt service charges due to the delay in the sale of City property at the Ontario Science Centre.
- (b) Funding not required in 2005 on delayed or deferred capital projects of \$51.2 million.

Obligatory reserve fund preliminary balances increased by \$125.0 million from \$519.1 million at the beginning of the year to \$644.1 million at December 31, 2005 and compares with a projected decrease to \$386.0 million. The increase over budget is attributable to parks levies and development charges exceeding budget by \$30.0 million and a savings of \$227.0 million in funding for capital projects due to the delay or deferral of capital spending.

Conclusion:

Total reserve and reserve fund preliminary year-end balances increased by \$136.8 million during 2005 and compares with a budgeted decrease of \$287.3 million due mainly to the delay or deferral of capital spending from 2005 to 2006.

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List of Attachments:

Appendix A: Reserves as of December 31, 2005;
Appendix B: Council Directed Reserve Funds as of December 31, 2005; and
Appendix C: Obligatory Reserve Funds as of December 31, 2005.

The Policy and Finance Committee also submits the communication (March 8, 2006) addressed to the Budget Advisory Committee from the Community Services Committee entitled “Increased Charges for Nuisance and Malicious False Fire Alarms”:

Recommendation:

The Community Services Committee recommended to the Budget Advisory Committee that City Council receive the report (December 19, 2005) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager entitled “Increased Charges for Nuisance and Malicious False Fire Alarms”.

Action taken by the Committee:

The Community Services Committee requested the Fire Chief and General Manager to submit a report to the Community Services Committee on ways to further enhance the work of the fire prevention staff to facilitate improvements to fire alarm systems so that those buildings that will be invoiced for false alarms can find ways to reduce false alarms and receive the rebate to which they are entitled.

Background:

The Community Services Committee on March 8, 2006, considered the following reports:

- (i) (December 19, 2005) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager requesting that consideration be given to amending Section 441-1 of the Municipal Code to charge building owners for second and subsequent nuisance false alarms in a two-month period and for second and subsequent malicious false alarms over a year to increase potential revenue for Toronto Fire Services to recover costs of responding to false alarms.

Recommendations:

It is recommended that:

- (1) Municipal Code Chapter 441- Fees be amended to require Owners to pay a fee for the second and subsequent malicious false alarms, in respect of the same address, per year, per fire vehicle dispatched and to require Owners to pay a fee for the second and subsequent nuisance false alarms, in respect of the same address, per two-month period, per fire vehicle dispatched;
- (2) authorization be given to add two Accounting Assistant 2 positions to the establishment at a cost for salaries and benefits of \$68,724.00 each, plus associated equipment and supplies of \$6,000.00 for both and mailing costs of approximately \$3,575.00 on an annual basis for a total annual cost of approximately \$147,023.00; and

- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.
- (ii) (February 20, 2006) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager outlining the results of the consultations with the Toronto Community Housing Corporation and Landlord Associations on opportunities to reduce false fire alarms.

Recommendation:

It is recommended that this report be received for information.

- (iii) (March 2, 2006) from the Fire Chief and General Manager providing an update on the resources needed to proactively complete fire inspections in buildings and a review of the practices of Phoenix, Arizona, and other Fire Departments to reduce false alarms.

Recommendation:

It is recommended that this report be received for information.

Mr. Mike O’Gorman addressed the Community Services Committee.

(Report dated December 19, 2005, addressed to the
Community Services Committee from
Deputy City Manager Fareed Amin and the
Fire Chief and General Manager)

Purpose:

The purpose of this report is to consider amending Section 441-1 of the Municipal Code to charge building owners for second and subsequent nuisance false alarms in a two-month period and for second and subsequent malicious false alarms over a year to increase potential revenue for Toronto Fire Services to recover costs of responding to false alarms.

Financial Implications and Impact Statement:

A decision to charge building owners for second and subsequent nuisance false alarms in a two month period and for second and subsequent malicious false alarms over a year will result in additional income for the Fire Services division as well as additional expenses. The impact on property owners will be charges to those who previously managed to stay within the two incident threshold within the requisite time span and have not been charged and to add an additional chargeable incident to those properties already experiencing three or more incidents.

The table below shows 2004 experience identifying the number of incidents where there were one, two, or three or more false alarms in the two categories within the allotted time span:

2004 Statistics	1 False Alarm	2 False Alarms	Currently Chargeable 3 and More False Alarms *
Total 2004 Nuisance Calls	6,319	2,514	2,754
Total 2004 Malicious Calls	1,305	602	2,903
Total False Alarms	7,624	3,116	5,657
Proposed Additional Chargeable calls	0	1,558	1,100

* Before deducting the 2 free calls in a two-month (nuisance) or in an annual period (malicious)

Extrapolating from the above statistics for 2006, there would be approximately 3,200 incidents where two false alarms have occurred in the qualifying time period. Exempting the first call, but charging for the second call would generate approximately \$1,675,500.00 in gross revenue annually based on \$1,050.00 per call.

For those properties that are already being charged for three or more calls, exempting only one instead of the current two false alarms will capture approximately 1,100 more incidents at \$1,050.00 per incident, generating an additional \$1,155,000.00 in gross revenue.

In total, \$2,830,500.00 in gross revenue could be possible annually. The additional costs would involve adding two Accounting Assistant 2 positions to the establishment at a cost for salaries and benefits of \$68,724.00 each, plus associated equipment and supplies of \$6,000.00 for both and mailing costs of approximately \$3,575.00 on an annual basis based on original invoice and two reminders for each invoice, for a total annual cost of approximately \$147,023.00.

Allowing for a three-month start-up and notification period in 2006, nine months of revenue would be approximately \$2,122,875.00 and costs would be approximately \$112,661.00, resulting in a net revenue of \$2,010,214.00.

Realizing these revenues in 2006 assumes that corrective action on the part of property owners who qualify for a re-imbursement of the charges for the year will not increase above current trends.

It should be noted that there are no exemptions to the false alarm charges and that, based on 2004 data, the Toronto Community Housing Corporation generated approximately 39 percent of the chargeable calls. The 2006 budget implication for that agency is an additional cost in the range of approximately \$828,000.00.

The Deputy City Manager/Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) Municipal Code Chapter 441- Fees be amended to require Owners to pay a fee for the second and subsequent malicious false alarms, in respect of the same address, per year, per fire vehicle dispatched and to require Owners to pay a fee for the second and subsequent nuisance false alarms, in respect of the same address, per two-month period, per fire vehicle dispatched;
- (2) authorization be given to add two Accounting Assistant 2 positions to the establishment at a cost for salaries and benefits of \$68,724.00 each, plus associated equipment and supplies of \$6,000.00 for both and mailing costs of approximately \$3,575.00 on an annual basis for a total annual cost of approximately \$147,023.00; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The false alarm By-law was carefully designed strictly to reduce false alarms. The By-law allows for two free nuisance false alarm calls every two-month period. This was designed to allow the building owner to have a responsible person contact fire alarm technicians to repair the problem before the problem develops into 3rd and/or subsequent nuisance false alarms, which then are chargeable simply because appropriate action was not taken. If building owners took more responsibility and immediate actions to service their fire alarm system after the first false alarm, the number of false alarms would drop drastically in the City of Toronto.

In an effort to deal with false alarms, in 2000 Council supported the Toronto Fire Services – Rewards By-law for False Alarm Information to provide for a \$1,000.00 reward to any person who supplies information leading to the conviction of a person who willfully caused a false fire alarm. The purpose of the By-law is to act as a general deterrent to causing a false fire alarm.

Billing of Condominiums:

City Council on July 19, 20, 21 and 26, 2005, approved that prior to the City adding fees for false alarms to the tax rolls, Toronto Fire Services advise condominium corporations or owners of condominium units that they can provide a written submission to Fire Services to appeal the fee or charges within 60 days of the date of the invoice and receive a consideration of their appeal and a written response back with respective Councillors copied.

In billing a condominium corporation, only a small number of older condominium corporations have a tax roll number. If the condominium corporation does not have a tax roll number, the fee for service may be divided among all the units in the building and added to the tax rolls of each of the condominium units of the condominium corporation in proportion to each unit owner's ownership interest of the common elements and collected the same as municipal taxes.

In 2004, there were 110 condominium buildings with chargeable false alarms containing 23,311 units. In total there were only 176 invoices issued, however, under the new policy, if each individual unit were to be invoiced up to three times, a total of 69,933 invoice mailings would be generated before Fire could transfer the charge to the individual unit's property taxes. Moreover, each owner may register a complaint that must be formally answered in the same manner that it is received.

During the initial 2006 Operating Budget staff review, Fire Services was asked to identify any potential revenue generating opportunities, including an increase in false alarm revenues, and report on how this would be achieved.

Comments:

Malicious and nuisance false alarms create great risk to tenants of the buildings and to emergency response Fire Fighters. Tenants begin to get complacent to the continuous false alarms being sounded and therefore may not respond appropriately to protect themselves.

Upon investigation of alarm calls it was determined that thousands of calls are caused by the poor maintenance of the alarm system. Maliciously activated fire alarms are also a serious concern. Because of the high number of these incidents the possibility is always present that responding to these nuisance alarms may delay our response to a real emergency. Properly installed and maintained fire alarm and security systems are important factors in minimizing nuisance alarms.

At the existing fee structure, the following indicates the revenue collected by the Fire Services over the past four years for false alarms:

- (a) 2001 = \$4,158,675.26;
- (b) 2002 = \$3,132,663.06;
- (c) 2003 = \$7,125,575.40*; and
- (d) 2004 = \$3,634,691.00.

* (includes a one-time lump sum payment from Toronto Community Housing Corporation)

Current and Proposed By-law:

To deal with the issue, Section 441-1 of the Municipal Code identifies fees to be charged for nuisance and malicious alarms. An administration fee of \$350.00 per vehicle will be charged (based on the Ministry of Transportation schedule for emergency vehicle dispatched) when the following criteria are met:

- (1) third and subsequent malicious false alarms, for same address, per year, per fire vehicle dispatched; and
- (2) third and subsequent nuisance false alarms, for same address, per two-month period, per fire vehicle dispatched.

Three emergency vehicles are typically dispatched to a first alarm response, resulting in a total fee to a building owner for a false alarm of \$1,050.00.

The proposed by-law change would charge for all 2 false alarms and subsequent alarms within a two-month period with an exemption for the 1 call. The By-law would state:

- (1) second and subsequent malicious false alarms, for same address, per year, per fire vehicle dispatched; and
- (2) second and subsequent nuisance false alarms, for same address, per two-month period, per fire vehicle dispatched.

Increased revenue to assist with Fire Services' responses to false alarms:

In 2004, false alarms represented 24.4 percent of total responses. In 2003, false alarms represented 26.6 percent; in 2002 - 25.9 percent; in 2001- 26.3 percent; in 2000 - 28.4 percent and in 1999 - 28.9 percent. It is difficult to determine if charging for all 2 false alarms and subsequent false alarms within a two-month period with an exemption for the 1 call will consistently increase the fees for false alarms. The By-law has a clause which allows owners to apply for a reimbursement of the funds paid out in fines, up to a maximum of 90 percent within the previous 12-month period. The funds being spent for reimbursement must be directed at reducing false alarms and approved by the Toronto Fire Services. There is the possibility increased fees would result in action by some building owners to eliminate the false alarm problems, the re-imbursement of fees element would increase, and the overall revenue would decrease over time, resulting in a lower level of revenue for Fire Services.

The billing process calls for three letters over a 90-day period requesting payment and notifying the owner that the amount owing will be transferred to their tax roll. Any complaint or questions in writing will receive a written response. When application for reimbursement and invoice for devices installed are received, they will be validated and a member of the inspection staff will verify the installation before reimbursement is made.

Fire Prevention staff are equipped with ideas and suggestions to assist building owners in their quest to reduce the occurrence of false alarms in their buildings. They also assist the building owners in ensuring tenants realize the value of an alarm system when it is operated in the manner it was intended. Currently, there is no sophisticated technology available to reliably determine if a remote signal transmitted to the Fire Communications Centre is real or false from a distance, therefore a full emergency response is imperative.

Conclusion:

Toronto Fire Services will continue to work with building owners and tenants to reduce the number of nuisance and malicious false alarms. The continuous false alarms being sounded can lead to tenants becoming complacent and therefore may not respond appropriately to protect themselves.

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(Report dated February 20, 2006, addressed to the Community Services Committee from Deputy City Manager Fareed Amin and the Fire Chief and General Manager entitled "Response to the Deferred Report, Increased Charges for Nuisance and Malicious False Fire Alarms dated December 19, 2005 from the Community Services Committee January 12, 2006 Requesting Consultation with Toronto Community Housing Corporation and Landlord Associations Concerning False Fire Alarms")

Purpose:

The purpose of this report is to consult with the Toronto Community Housing Corporation and Landlord Associations to identify further opportunities to reduce false fire alarms and report the results.

Financial Implications and Impact Statement:

There are no financial implications associated with the approval of this report.

Recommendation:

It is recommended that this report be received for information.

Background:

The Community Services Committee at the January 12, 2006, meeting deferred the report (December 19, 2005) from Deputy City Manager Fareed Amin and the Fire Chief and General Manager until Toronto Fire Services' staff meet with the Toronto Community Housing Corporation and representatives from landlord associations to identify further opportunities to reduce false fire alarms and report the results of this discussion directly to the Community Services Committee.

Comments:

Toronto Fire Services (TFS), Toronto Community Housing Corporation (TCHC), and other landlord associations discuss and collaborate to enhance fire and life safety measures in residential buildings on a regular basis. It is critical to deal with malicious and nuisance false alarms because of the potential risk to tenants of the buildings and to emergency response Fire Fighters. Tenants will become complacent to the continuous false alarms being sounded and therefore may not respond appropriately to protect themselves.

While TCHC has been proactive in the area of life safety and continues to demonstrate commitment through a number of measures, it is expected that TCHC will continue to experience malicious fire alarms since they cannot directly control an individual's behaviour or personal agenda. TCHC reported that the majority of charges (94 percent) fall into the malicious category. False calls related to malicious behaviour are extremely difficult for TCHC to control.

To minimize the number of malicious occurrences, TCHC has been trying to employ various measures in a number of our buildings as part of an ongoing capital life safety program. The following highlights the actions of TCHC in maintaining systems at operational levels and responding to malicious alarms:

- (i) TCHC has selected key properties that will have surveillance cameras installed to assist with community safety improvements including the detection of mischievous behaviour. The cameras will also act as a significant deterrent by providing key coverage of entrances and exits that are often selected by offenders for setting off false alarms. This will assist with apprehending arsonists and vandals.
- (ii) In 2005, 10 buildings with substantial false alarm problems were selected and pull station covers installed. TCHC reported a positive impact in the reduction of alarms in these buildings.
- (iii) There is improved site access by installing access systems to a number of buildings.
- (iv) The total cost of fire alarm system maintenance for the TCHC portfolio in 2005 was approximately \$3 million dollars. At present the TCHC central alarm system monitors 480 buildings. TCHC continues to track false fire alarms to assist with the prioritization of capital work in this area.
- (v) TCHC will continue to educate tenants and discuss the dangers of false fire alarms in buildings, to ensure tenants realize the value of the fire alarm system and the consequence of false alarms.
- (vi) TFS and TCHC reviewed the false alarm reimbursement policy that was designed to allow the building owners to be proactive in repairing equipment to reduce false alarms.

Pilot Projects at 15 Tobermory Drive and 275 Shuter Street:

Fire Prevention staff and TCHC have developed and implemented pilot projects at 15 Tobermory Drive and 275 Shuter Street that have reduced the occurrence of false alarms in their buildings. While some of the solutions involve relocating pull stations from corridors to inside individual units and ensuring that pull stations are placed in open areas so that offenders may be easily seen, these two projects involve extensive planning and retrofitting.

The pilot project at 15 Tobermory Drive entailed the removal of all of the pull stations within the building except from the lobby and rear exit, which is monitored by a security camera, and the superintendent's suite. To compensate for this, the requirement for smoke detector coverage in the common areas has been doubled and cross-zoned to further assist in reducing potential false alarms. The tenants and supervisory staff of this building were also subjected to an intensive education program.

In the ten-year period, 1987-1996, the tenants of 15 Tobermory Drive were subjected to 382 malicious false alarms with another 19 recorded in 1997. This serious condition prompted the actions that brought about the October 20, 1997, Memorandum of Understanding, which is a unique agreement. Since the removal of the pull stations from 15 Tobermory on September 28, 1998, the malicious false alarm numbers changed dramatically. For the balance of 1998, there were no malicious false alarms. One incident was recorded in 1999 when a tenant disconnected the audible device in their unit activating the alarm system. In 2000 there was 1 incident of an accidental activation of a fire alarm pull station, monitored by video surveillance, by building staff during a tenants' move. In 2001 there was 1 nuisance alarm and 0 malicious alarms. In 2002 there were 0 nuisance alarms and 1 malicious alarm, and in 2003 there were 4 nuisance and 1 malicious alarm. In 2004 the positive trend continues with 2 malicious and 1 nuisance false alarm call. This analysis of data gathered provides very encouraging evidence for the removal of fire alarm pull stations from the common areas of buildings experiencing difficulty with malicious false alarms.

The experiment has also resulted in a greater awareness of and an increased willingness to respond to the activation of the fire alarm system in the building. With the elimination of false alarms, residents no longer ignore the alarm if activated, thereby increasing the life safety of all who reside in the building.

Given the success of the pilot project at 15 Tobermory Drive, a similar pilot project was initiated at 275 Shuter Street. In this project, pull stations from all common areas including the garage were removed. Smoke detectors were installed in each corridor at one half the required distance, and wiring was installed so that two detectors would need to be activated before the alarm system sounds. One pull station will be provided for the lobby in a ULC listed enclosure. This Memorandum of Understanding is retroactive to September 22, 2000, reflecting the commencement of the retrofitting to meet the requirements of the Memorandum of Understanding. While this second pilot project is in progress, there has been some reduction in the number of false alarms in the building. In 1999 there were 3 nuisance alarms and 44 malicious alarms, and in 2000 there were 4 nuisance alarms and 49 malicious alarms. In 2001 there were 23 malicious alarms, and in 2002 there were 2 nuisance alarms and 12 malicious alarms. In 2003 there were 6 nuisance alarms and 12 malicious alarms. In 2004 there were 7 malicious false alarms and 1 nuisance false alarm. Two additional buildings on Shuter Street have also been identified for possible retrofitting and inclusion in the pilot project.

The complete removal of manual pull stations from common areas of a building is not necessarily a new idea, however, it is a radical approach to the problem of reducing false fire alarms. The pilot at Tobermory Drive dramatically indicates the potential to reduce the occurrence of false fire alarms which are costly, both monetarily and for optimum deployment of emergency resources. With similar results to the Tobermory Drive success story, data from all of these buildings will be used to support a submission to the Code Commission to allow systems like these to be a permitted option under the Building Code. TCHC and TFS will continue to work together to find opportunities to reduce false fire alarms.

Toronto Fire Services has discussed this item with Brad Butt, Greater Toronto Apartment Association, who will continue to work with TFS and property owners to reduce false alarms. There is discussion to hold a seminar with property owners in June 2006 that will provide key information on fire safety measures in residential buildings. The seminars provide an opportunity for TFS and landlord associations to review fire safety policies and respond to concerns raised by representatives. The seminars assist the building owners in ensuring tenants realize the value of an alarm system when it is operated in the manner it was intended. TFS meets with associations and individual property owners who have questions or concerns for life safety measures in residential buildings. Currently, there is no sophisticated technology available to reliably determine if a remote signal transmitted to the Fire Communications' Centre is real or false from a distance, therefore, a full emergency response is imperative.

Conclusion:

Toronto Fire Services will continue to work with TCHC, Landlord Associations, building owners and tenants to reduce the number of nuisance and malicious false alarms. The continuous false alarms being sounded can lead to tenants becoming complacent and therefore may not respond appropriately to protect themselves.

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(Report dated March 2, 2006, addressed to the
Community Services Committee from the
Fire Chief and General Manager entitled
"Fire Inspections in Buildings and Action by Other
Fire Departments to Reduce False Fire Alarms")

Purpose:

The purpose of this report is to provide an update on the resources needed to proactively complete fire inspections in buildings and review with Phoenix, Arizona, and other Fire Departments their practices to reduce false alarms.

Financial Implications and Impact Statement:

There are no financial implications associated with the approval of this report.

Recommendation:

It is recommended that this report be received for information.

Background:

The review of the Toronto Fire Services' Fire Prevention Section has been reported comprehensively in the Auditor General's report, Auditor General's Operational Review – Toronto Fire Services dated January 2006, that was before the Audit Committee February 22, 2006. The Fire Services Management Response to the Auditor General's Operational Review of Toronto Fire Services dated February 8, 2006, outlines the reports that will be submitted to the Community Services Committee.

The Community Services Committee, at the January 12, 2006, meeting requested the Fire Chief and General Manager to:

- (1) submit a report to the Community Services Committee on the resources needed to proactively complete fire inspections in buildings at the same level as prior to amalgamation; and
- (2) canvas two or three cities, including Phoenix, Arizona, to see what they do to reduce false fire alarms and submit a report thereon to the Community Services Committee.

Comments:

The review of the Toronto Fire Services' Fire Prevention section has been reported comprehensively in the Auditor General's report, Auditor General's Operational Review – Toronto Fire Services dated January 2006, that was before the Audit Committee February 22, 2006. In the Management Response to the Auditor General's Operational Review of Toronto Fire Services (dated February 8, 2006), it indicates that Toronto Fire Services will report back on the feasibility study of centralized Fire Prevention Command offices that will lead to efficiencies that can be redirected to fire prevention and inspection initiatives. The feasibility study will be completed by September 1, 2006, and a subsequent report to the Community Services Committee. Toronto Fire Services will also conduct an analysis of handheld units and the potential efficiencies gained, and will report this analysis in June 2006. Further, in the report it stated that Toronto Fire Services will report to the Community Services Committee by June 2006, on the status of retrofit actions that are now in the process of being completed by the Retrofit Task Force.

Example of Retrofit Task Force Action as of this date:

Toronto Fire Services has recently established a Retrofit Task Force to deal with low-rise and high-rise residential buildings that require retrofitting (mandatory upgrading) of fire safety features and systems. The focus of the Task Force is Ontario Fire Code Sections 9.5 and 9.6. Low-rise Retrofit (9.5) generally applies to residential buildings up to and including six

stories (with three or more dwelling units). High-rise Retrofit (9.6) applies to residential buildings that are generally over six storeys in building height. This legislation came into effect on November 30, 1992. Prior to the City of Toronto, Retrofit legislation had not been completed by the former cities. Since amalgamation, Toronto Fire Services has inspected and enforced this legislation on an ongoing basis as part of its overall inspection activities. Retrofit is a retroactive fire safety legislation that applies to specific older buildings. The four main areas of concern are containment, means of egress, fire alarm/detection and fire suppression.

The Retrofit Task Force was established in October of 2004, to audit and coordinate consistent retrofit inspections of the approximately 6,280 outstanding low-rise and 225 outstanding high-rise residential properties. A concise property database was compiled prior to the commencement of Task Force inspections.

The Retrofit Task Force currently consists of a Captain/Coordinator and eight inspectors. Each Inspector has been assigned an area and is working exclusively and systematically from the property database. Task Force personnel liaise with other area inspection staff to ensure quality control and to avoid duplication of activities. During Retrofit inspections, other serious Fire Code violations (maintenance of fire/smoke alarms, blocked exits, etc.) are also dealt with on a priority basis. Utilization of the legal system is an effective tool when code compliance is not forthcoming. A status report on this initiative will be completed in June 2006.

In addition to Task force activities, all Fire Prevention staff are currently performing retrofit inspections on residential buildings with two units (Fire Code retrofit Section 9.8, enacted in July, 1994) as well as their various other inspection duties (complaints, requests, Building Code, routine inspections, public education activities, etc.).

At this time all high-rise residential buildings in the City of Toronto have been inspected for retrofit compliance. There are approximately 10 percent of outstanding Fire Code deficiencies in these buildings. It is projected that inspections should be completed (either closed or in court) by the end of 2006 for these high-priority residential occupancies.

Fire Departments Response to Reduce False Alarms:

In reviewing the false alarm policy and operating guidelines with Phoenix, Arizona, it was indicated that they do not have a false alarm by-law to charge property owners who have nuisance and malicious calls. The practice of property owners is to repair any mechanical problems, control panels, or faulty smoke alarms. Phoenix, Arizona has not dealt with numerous false alarms or malicious alarms on a regular basis. An inordinate number of false alarms would be dealt with as a civil matter through the Court system.

Phoenix Fire Department meets with property owners and contractors to assist with any questions and stress the significance of fire alarm systems. It should be noted that Scottsdale Arizona, that neighbours Phoenix, receives coverage from 16-18 fire vehicles by the Phoenix Fire Department, and has a residential sprinkler by-law for all new residential homes that assists in promoting a philosophy of fire prevention and life safety throughout the City. Further, Phoenix requires any residential building over 5,000 square feet to have residential fire sprinklers.

There are numerous Fire Departments that have false alarms by-laws throughout Ontario. Mississauga, Hamilton and Brampton have similar by-laws to Toronto Fire Services. The by-laws provide the means to charge \$350.00 per vehicle as stipulated by the Ministry of Transportation. Mississauga, Hamilton and Brampton have very similar programs to Toronto Fire Services. Fire Inspectors meet with property owners to review problem areas and offer fire safety public education programs.

The one major difference between Hamilton and Brampton is that Toronto Fire Services has a reimbursement policy for all property owners. Mississauga will be implementing a policy that provides reimbursement to some organizations that repair the equipment that leads to the false alarms.

It is critical to deal with malicious and nuisance false alarms because tenants will become complacent to the continuous false alarms being sounded and therefore may not respond appropriately to protect themselves.

Conclusion:

Toronto Fire Services will continue to work with building owners and the public to enhance life safety messages and the equipment necessary to protect the citizens who live and work in the City.

Contact:

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The Policy and Finance Committee also submits the communication (March 8, 2006) addressed to the Budget Advisory Committee from the Community Services Committee entitled “Integration of Children’s Service Plans”:

The Community Services Committee recommended to the Budget Advisory Committee that:

- (1) City Council adopt the staff recommendations in the Recommendations Section of the report (February 21, 2006) from the General Manager, Children’s Services; and
- (2) the unspent funding from the Child Care Expansion/First Duty Reserve of up to \$25,000.00 be directed for each of the First Duty Projects operated by Macaulay Child Development Centre, Not Your Average Daycare, the Child Development Institute and East York/East Toronto Family Resources to fund summer programs at a total cost of \$100,000.00, and that the contracts with these organizations be extended to September 1, 2006, for this purpose.

Action taken by the Committee:

The Community Services Committee requested the General Manager, Children’s Services, to report to the Community Services Committee:

- (i) as early as possible, but not later than June 8, 2006, on options for continuing components of the First Duty Projects that the First Duty pilot evaluation showed were successful and that would otherwise be discontinued at the end of June, 2006, such report to include options for expanding those programs across the City; and
- (ii) on the Australian child care model and what alternatives it may offer.

Background:

The Community Services Committee on March 8, 2006, considered a report (February 21, 2006) from the General Manager, Children's Services, providing an update on the integration of Children's Services Plans; the City's ongoing involvement with Toronto First Duty; and seeking endorsement of the Best Start Plan - Toronto Vision for Children developed by the Best Start Network.

Recommendation:

It is recommended that Council endorse the Best Start Network's Best Start Plan – Toronto Vision for Children, attached as Appendix 3.

Brenda Patterson, General Manager, Children's Services, and Petr Varmuza, Director, Operational Effectiveness, Children's Services Division, gave a presentation to the Community Services Committee.

Jane Mercer, Coalition for Better Child Care, addressed the Community Services Committee.

(Report dated February 21, 2006, addressed to the
Community Services Committee from the
General Manager, Children's Services)

Purpose:

This report provides an update on the integration of Children's Services Plans; the City's ongoing involvement with Toronto First Duty, and seeks endorsement of the Best Start Plan - Toronto Vision for Children developed by the Best Start Network.

Financial Implications and Impact Statement:

There are no direct financial implications to this report.

Recommendation:

It is recommended that Council endorse the Best Start Network's Best Start Plan- Toronto Vision for Children, attached as Appendix 3.

Background:

At its meeting of October 26, 27, 28 and 31, 2005, Council approved the Best Start Service and Transition Plan amendments to the 2005-2009 Child Care Service Plan and the Best Start Transition Infrastructure Plan and directed the General Manager of Children's Services to report to the Community Services Committee on the integration of various plans supporting children and families including Best Generation Yet, Best Start, and Toronto First Duty into the City's Child Care Service Plan. In addition, the General Manager was asked to report on how the Best Start initiative can best incorporate First Duty program directions and how the City will remain involved with the First Duty prototype at Bruce School.

The Best Start Implementation Planning Guidelines require that Best Start Networks develop plans for how communities will integrate services as Best Start moves forward in addition to the plans mentioned above.

Best Generation Yet, adopted by Council on July 19, 20, 21 and 26, 2005, is a policy framework, developed by the Mayor's Roundtable on Children, Youth and Education that provides the impetus for the integration of children's services across the City of Toronto.

The Toronto First Duty Project initially approved by Council in May 1999 includes five pilot projects that demonstrate the integration of key children's services.

Comments:

The Integration of Children's Services Plans:

In order to understand the relationship of the various plans the following section begins with a review of the Best Generation Yet (BGY), the City's 2005-2009 Child Care Service Plan, the Best Start Strategy and Toronto First Duty Project (TFD). Appendix 1 provides an overview of the four initiatives.

Best Generation Yet:

The City's Best Generation Yet (BGY) is a 10-year plan, Toronto's vision for its children. It is a framework for the future development of children's programs and services in Toronto developed by the Children's Working Group of the Mayor's Roundtable on Children, Youth and Education. BGY provides a framework for:

- (1) the expansion and integration of Toronto's services for children 0-12 and for the implementation of Best Start;
- (2) City divisional plans for children;
- (3) the development of benchmarks, indicators and outcomes; and
- (4) the development of integrated children's service plan to inform the 2007 municipal budget.

The ongoing progress of BGY will be guided and monitored by the Integrated Children's Services Advisory Committee. A proposed terms of reference and structure is being prepared and will be on the April 2006 Policy and Finance agenda.

The Child Care Service Plan:

The City's 2005-2009 Child Care Service Plan adopted by Council in May 2005 and amended in October 2005 to incorporate Best Start funding sets direction to guide the child care system over a period of time and forms the framework for service planning and resource allocation over the next five-year period. Recommendations identified through the service planning process focus on four key areas:

- (i) improving quality of services;
- (ii) developing a system of services for children;
- (iii) access and equity; and
- (iv) building public support for child care.

As a result of the end of July announcement by the Minister of Children and Youth Services of three-year allocations to the City of Toronto for Best Start funding, the service plan had to be amended. The allocations - a total of \$125 million over the next three years - are to expand the number of licensed child care spaces, increase access to subsidies and improve wages for child care workers. The announced funds are for both capital and operating, and are tied to corresponding child care space expansion targets. The Best Start Child Care Service and Transition Plan and the Best Start Transition Infrastructure Plan were approved by Council as amendments to the 2005-2009 Child Care Services Plan.

Best Start:

The Best Start Strategy is a ten-year plan to strengthen healthy development through the provision of early learning and child care services for children and their families. It is designed to give Ontario's children the best start in life and to help them achieve success in school by providing a comprehensive system of services that support children from 0-6 years and their families.

Ontario is funding Best Start with funding from the federal government. The federal budget announced \$5 billion to be spent over five years to support a national program of Early Learning and Child Care. Toronto's share is \$125 million over the next 3 years. These funds are in addition to the 2003 multilateral framework on early Learning and Child Care previously announced. The Province has waived any requirement for municipalities to cost share the new money for the length of the federal/provincial agreements (until March 2010).

On February 6, 2006, the newly sworn in Prime Minister Harper announced plans to move forward on child care choices for parents by:

- (1) introducing a new Choice in Child Care Allowance of \$1,200.00 per year for each child under 6, effective July 1, 2006 (provided the Act passes Parliament);
- (2) phasing out the early learning and child care agreements signed by the previous government with the Provinces effective March 31, 2007; and
- (3) introducing new measures to assist employers and community organizations to create new child care spaces.

Council passed a motion to “Preserve the National Child Care Program – Protect High Quality Accessible Child Care in Toronto” on February 14, 2006 directing that “Mayor Miller, on behalf of Council and the residents of the City of Toronto, is requested to work as a partner with the federal and provincial governments to preserve the national child care program and the Ontario federal-provincial child care agreement. It is to be hoped that the efforts of City and its partners will be successful and that the City will be able to move forward to implement its Best Start Service and Transition Plan as well as its Best Start Infrastructure Transition Plan. These plans together with the Best Start Plan-Toronto Vision for Children fulfill key components of the first Phase of Best Start including:

- (i) expansion of child care for four and five-year-olds;
- (ii) moderate expansion of the system for children 0-4 years;
- (iii) wage enhancements for child care workers in the regulated sector; and
- (iv) the development and implementation of community hubs that will pull together screening, assessment and treatment, child care and parenting programs, and will have direct links to other children’s services such as mental health, child welfare and speech and language resources.

Other programs and strategies in Best Start include an enhanced 18-month developmental assessment using primary care providers for every child in Ontario, a maternal postpartum depression strategy and expansion of Pre-school speech and Language and Infant Hearing Services to the end of Senior Kindergarten. A new College of Early Childhood Educators will also be established to ensure high professional standards for quality child care and early learning programs.

All of the pieces of Phase 1 of the Best Start initiative: the Best Start Service and Transition Plan, the Best Start Infrastructure Plan and the Best Start Plan itself are completely consistent with the Toronto Vision for Children as described in BGY and other City documents related to children.

Best Start Vision:

The creation of the Best Start Plan – Toronto’s Vision for Children was the responsibility of the Best Start Network and lays out the Network’s vision for building a community/neighbourhood hub delivery system to bring together child care, kindergarten, parenting programs, screening and assessment and access to a range of children’s support services such as pre-school speech and language and mental health services. The Network adopted the City’s Vision for Children Best Generation Yet as the framework and its vision in their plan. The plan is built on the core components of First Duty and envisions using the Best Start Network and a Memorandum of Understanding between the core service providers to drive integration. This document is designed to build upon the existing service structure and integrated early childhood strategies in Toronto.

The Best Start Plan completes the three requirements of Best Start in Phase 1. Other Phase 1 activities included development of the Best Start Service and Transition Plan and the Best Start Infrastructure Plan.

The Best Start Service and Transition Infrastructure Plan outlines strategies for implementing Best Start in 2005 and 2006 with a more general outlook for 2007-2009. The plan outlines how the City will increase licensed child care spaces, increase child care fee subsidies, improve supports for children with special needs and provide wage subsidies. Through these amendments to the 2005-2009 Child Care Service Plan, the City is incorporating Best Start components into its current child care service plan.

The Best Start Vision lays out the vision for future planning and service integration, and provides a framework for community/neighbourhood planning and implementation. The Vision document is further described below and is Appendix 3.

Toronto First Duty:

The Toronto First Duty Project (TFD) is a project that brings together the three early years streams— regulated child care, kindergarten and parenting supports – into a single accessible service for children prenatal to six. The project vision begins with a blending of child care, kindergarten and parenting support programs anchored at school sites, with other services joining the hub depending on the different needs of the particular community.

The project has developed through the leadership of the City of Toronto, The Atkinson Charitable Foundation, and the Toronto District School Board and demonstrates working models of integration at the neighbourhood level.

TFD comprises five sites with local elementary schools in communities across Toronto. The communities and the services in the TFD sites varied, allowing the project to test the effectiveness of different approaches. City of Toronto funding for the project is available until June 2006. The Atkinson Charitable Foundation will continue funding until 2008 the Bruce / Woodgreen Early Learning site.

TFD is evidence-based in that it builds on the results of the project evaluation, which started as the project was being developed. The final report of the TFD first phase (2001-2005) is nearing completion.

The relationship of Best Generation Yet, 2005-2009 Child Care Service Plan amended to include Best Start, Ontario's Best Start Strategy and Toronto First Duty:

Best Generation Yet provides the policy context and framework for future development and integration of services for children aged 0-12 in Toronto. Best Start, in its role as the primary program initiative for children 0-6, is completely consistent with BGY. The lessons learned from the Toronto First Duty evaluation have informed both BGY and Best Start. All three support service integration for all families through the development of neighbourhood hubs with child care, kindergarten and family support programs at their core and, taken together, provide a firm platform for future planning and service delivery. In addition, since BGY includes children aged 0-12, it provides a platform for new areas of advocacy and program expansion such as the "middle years" children – those aged 6-12.

To support the implementation of Best Start, the City was responsible for the establishment of the Best Start Network consisting of representatives of the provincial government, school boards and service sectors. The network has enhanced the ability of governments and community organizations to plan together. Although Best Start will not be fully implemented for a number of years, Best Start Networks were asked to describe their vision/plan for what Best Start – fully implemented – would look like in their communities.

As a result the Best Start Network has developed a Toronto Best Start Plan – Toronto Vision for Children. This document builds on the City's Vision for Children and Best Generation Yet goals of service integration and provides a framework for community planning. The Best Start Network is responsible for supporting the implementation of Best Start and provides a structure to support the vision for service integration by:

- (i) informing the development of an integrated system of services;
- (ii) identifying and monitoring service, policy, resource and systems issues;
- (iii) building cross-sectoral linkages;
- (iv) involving key service providers in the community;
- (v) integrating plans to enhance early identification and intervention programs; and
- (vi) supporting the identification of existing and developing new service protocols to support service integration.

As noted previously, Toronto's Best Start Plan has adopted the vision set out in Best Generation Yet and focuses on the development of community/neighbourhood hubs to promote collaborative efforts among service providers across the children's services system. By 2016 Toronto Best Start will put the vision into action for young children and families. It aims to:

- (i) create a comprehensive system of services that supports children and families;
- (ii) develop community/neighbourhood hubs in, or linked to schools;
- (iii) increase access to a continuum of early identification and early intervention services;
- (iv) support parents;
- (v) measure child outcomes; and
- (vi) identify policy, resource and systems issues and gaps.

In our efforts to move towards strengthening integration TFD has provided valuable information for planning and integration of early years services. The Best Start Plan has incorporated much of the learning from Toronto First Duty.

While Best Start deals only with children under age six and is more limited in its scope and depth than the City's 2005-2009 Child Care Service Plan, the basic service planning principles, established by Toronto City Council, still apply:

- (1) equity of service access;
- (2) publicly planned and accountable service outcomes;
- (3) service options consistent with informed parental choice;
- (4) first come-first served admission to subsidized child care;
- (5) recognition that child care services provide developmentally appropriate and beneficial early childhood education and care for children, as well as important family and community support; and

- (6) recognition that services for children and families should be planned and delivered in an integrated way that promotes seamless service transitions.

How the Best Start Initiative Can Best Incorporate First Duty Program Directions:

Based on the recommendations of the McCain-Mustard Early Years Study, Toronto First Duty demonstrates the integration of the early childhood service streams – kindergarten, child care and family supports – into a quality comprehensive program for all families. Toronto First Duty is informing the expansion and operations of children programs and is reflected in the city's and the Province's Best Start directions.

Through the implementation of Best Start, Toronto First Duty now moves from a demonstration model to a new way of providing early childhood services and its leadership will continue to support integration. Representatives from the Toronto First Duty Steering Committee are members of the Best Start Network.

The research findings on Phase 1 of Toronto First Duty chart the development, implementation and impacts of the TFD model at five school-community sites. Changes, benefits and challenges are described at three levels: for practice, programs and policy; for families; and for communities.

Practice, Programs, and Policy:

- (1) For programs, the rated quality of early childhood program environments (on the ECERS-R, a standardized measure of quality) generally increased as implementation of the TFD approach unfolded.
- (2) For front line staff, working in integrated staff teams meant overcoming predictable professional barriers to find common purpose in improving program environments and improving results for children. Staff teams worked most seamlessly and effectively when they had time to meet on a regular basis, joint professional development, and concrete aims for program improvement and specific aims for children.
- (3) For successful integrated early childhood school hubs, organizational change and leadership are required. For example, the TDSB reorganized its approach to the early years partly as a result of participating, which in turn supported the work at TFD school sites. At the school level, principal leadership and buy-in helped some sites move further towards the integrated model than others.
- (4) Joining up existing early childhood programs is more difficult than starting new program activities. However, it is the redesign of existing program structures and funding that are likely to be sustainable beyond Phase 1.
- (5) The TFD model influenced policy in Ontario and other jurisdictions. Ontario's Best Start Strategy shares a common long term vision of a 0 - 6 year old system. It proposes neighbourhood hub models that combine child care, family support and kindergarten programs linked to, or located in, local primary schools. As in TFD, these hubs provide a platform for other services including early identification and intervention. The Toronto

Best Start Network is informed by TFD and has incorporated key components into the initial planning documents. TFD has been highlighted in two pan-Canadian initiatives - the Integration Network and the YWCA Building Community Architecture for Early Childhood.

Families:

- (1) For parents, experience with integrated preschool services in TFD appeared to increase their capacity and confidence in helping their children learn and in communicating with the school and teachers in kindergarten. This capacity-building worked for parents who are immigrants as well as for those born in Canada.
- (2) Parents also reported high levels of satisfaction with TFD programming and with the concept of integrated services. From early implementation to full implementation, parents reported being consulted more about services and programming and they also reported better access to the range of programming as scheduling became more flexible.
- (3) For children, the evaluation was not designed to directly test outcomes. However, both kindergarten teacher ratings of school readiness on the Early Development Instrument (EDI) and direct assessments by the research suggest that children have benefited socially and in pre-academic skill.

Community:

Sites began their work with community consultation and worked on outreach to all parents. Intake and tracking data show that they were successful in bringing in families who represent the diversity of neighbourhoods they serve. Despite broad participation of parents and children, awareness of the Toronto First Duty programs and “brand” was minimal among other community members.

Putting it all together:

- (1) Despite the demonstrated successes, barriers remain.
- (2) Separate funding, governance and legislative structures for education, child care and other family and children’s services make it difficult to integrate people and programs at the local level. Differences in staffing requirements, regulations and funding structures become obstacles to making seamless environments. Long term change and sustainability requires an overhaul of legislative requirements, professional education and development of staff and local governance structures.
- (3) The on-the-ground success of a TFD model will depend on the front-line staff. System redesign will remove many barriers. However, it is essential that staff are motivated to become part of an integrated early childhood workforce which means blending professional education and development as well as developing equitable compensation and working environments.

- (4) Child care remains the program component that is most difficult to incorporate and expand in an integrated model. It is the only program that relies on parent fees (paid directly by parents or through child care fee subsidies) and is the most highly regulated component. It is also central to the range of options necessary to support young children and their families.

The application of the TFD research results will support the development of the newly-funded sites under Best start. TFD has developed a Phase 2 Innovation Strategy, which will provide a support system with a broad community focus to this.

TFD has developed a Guide to Early Childhood Service Integration to support the community and the TFD Phase 2 Innovation Strategy will expand the TFD learning beyond the existing five sites, in order to support the service integration policy direction of the three early childhood streams of child care, kindergarten and parenting supports.

The support system that is being developed in Toronto First Duty Phase 2 will include various activities including but not limited to:

- (i) introduction/overview of Toronto First Duty;
- (ii) training Sessions/Workshops; and
- (iii) tools: How to Manual, Site Assessment Checklist, etc.

These activities will be coordinated centrally and delivered across the city on a community/neighbourhood basis.

Participants will include all the stakeholder sectors and their staff:

- (i) School Boards;
- (ii) City of Toronto;
- (iii) Parenting/Family Resource/OEYC's;
- (iv) Child Care; and
- (v) Community Agencies.

In addition, the City of Toronto will continue as a member of the TFD Steering Committee and will:

- (i) support continued limited research into best practices and accountability and support the Toronto wide conference using existing resources and expertise and share the lessons learned by TFD sites; and
- (ii) support communication s and evidence based story-telling in order to expand the TFD profile as well as support the integrated strategies and ongoing development of plans to offer families a range of supports.

The Form By Which The City Will Remain Involved With The First Duty Prototype At Bruce School:

Although the City's funding for TFD ends in June 06, the Atkinson Charitable Foundation is continuing to fund the Bruce School site until 2008. The partnerships between the City of Toronto, the Atkinson Charitable Foundation and the Toronto District School board will be sustained and supported through ongoing development at the Bruce-Woodgreen Early Learning site which represents the best example of achieving service integration of licensed care, kindergarten and family resource programs.

The City of Toronto will:

- (i) continue to provide both management and operational support to the Bruce-Woodgreen site to further develop the integrated model that will cover children 2.5 to 6 years (current and expanded part day, full day and extended day programs with flat parent fee that will be waived for low income families and continue to incorporate parenting supports; and
- (ii) support the implementation of a fee subsidy model that relies on a simplified income test.

In approving the BGY recommendations, Council set the City on the road to achieving "a comprehensive system of integrated, inclusive and high-quality services for children that will support best outcomes for Toronto's children". Toronto City Council received a progress report on BGY (J/F06), as did the Roundtable on Children, Youth and Education. The integration of the Children's Services Plans will be further guided and monitored through the Advisory Committee on Integrated Services for Children. A proposed structure, Terms of Reference and membership are being prepared for the April Policy and Finance Committee meeting. The General Manager of Children's Services will continue to implement the City's children's agenda. As well, a joint plan for children's services will be developed to inform the 2007 budget. The plan will be based on BGY goals and objectives as well as existing divisional strategic and service plans and will contain outcomes, indicators and costings. The joint service planning process will be ongoing to support subsequent city budgets. All divisions delivering services for children that are building or renovating space will assess the possibilities for developing facilities for integrated programs.

Toronto is putting to good use the experience gained through TFD. The City has learned that the creation of integrated hubs takes time, community readiness and resources to support the progress towards integration. Early learning and care hubs will be developed under Best Start and in communities where clusters of services and community readiness combine to provide environments that will support integrated service provision.

The City, with its partners in the Best Start Network, is embarking upon system-wide integration through the implementation of the Best Start Vision. TFD has provided valuable lessons in how to make system shifts and how to integrate programs on a day-to-day basis. The Best Start Network's Vision Plan builds on the City's BGY plan and provides for the creation of neighbourhood hubs all across the City. The hubs will have the core elements of TFD including early years staff teams, a common governance structure, high quality early learning environments with combined expectations, activities and routines from kindergarten, child care and family support, parent participation and a continuum of supports.

Conclusion:

This report provides an overview of the four initiatives addressing the integration of Children's Services Plans: Best Generation Yet, the City's Child Care Service Plan 2005-2009, Best Start Strategy, and the First Duty Project, and the relationship between them. These initiatives have common elements and intersect with each other with the shared goal of providing enhanced and integrated children's services in Toronto, as envisioned in the overarching framework of the City's BGY plan. This report then demonstrates how the preliminary findings from Toronto First Duty are being implemented in the Best Start initiative, and comments on how the findings of TFD will continue to inform the rollout of Toronto's Best Start plan. Finally, the report discusses and seeks endorsement for Toronto's Vision for Best Start.

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List of Attachments:

Appendix 1 - Children's Services Plans Chart

Appendix 2 - Flow Chart – City of Toronto: Integrated Children's Planning Initiatives

Appendix 3 - Best Start Plan Toronto Vision for Children January 2006 Toronto Best Start Network

Appendix 1
Children's Services Plans

Initiative	Best Generation Yet	First Duty Project	Best Start Strategy	2005-2009 Child Care Service Plan
Lead Agency	City of Toronto	City of Toronto, TDSB, Atkinson Foundation and community partners	Province of Ontario	City of Toronto Children's Services Division
Time Period	10 years	Started in 1999, continued to June 2006	10-15 years to implement	5 years
Age of Children	0-12 years	0-6 years	0-6 years	0-12 years
Scope	All City services for children	5 pilot sites in Toronto	Throughout the Province of Ontario	Children's Service Division

Appendix 3
Best Start Plan
Toronto Vision for Children
January 2006
Toronto Best Start Network

Preamble:

The Toronto Vision for Children builds on the Best Start strategy that focuses on early learning and care, primarily on meeting children's and family's needs by strengthening, enhancing, building on and integrating existing programs and services.

The Vision set in this document will be driven by the community. Given the unique characteristics of the different populations including Aboriginal and Francophone, the unique needs of children and families will be addressed through the planning and implementation process and may look different in various communities. The Vision provides a framework for how to best organize and integrate services with the goal of improved outcomes for children.

Basic to a good society is that children are welcome, are given a good environment during childhood and are the concern of the whole society. Children have a right to secure living conditions that enhance their development. Preschool has an important function in children's lives. It offers a comprehensive programme and is a source of stimulation in the children's development. It gives them a chance to meet other children and adults and to be part of an experience of fellowship and friendship. It is a complement to the upbringing a child gets at home (Family Aid Commission, Sweden, 1981, cited in Moss and Penn, 1996, p.1)

(1) Introduction:

The document covers the following areas:

- (a) The Toronto Vision for Children;
- (b) Building a system and community capacity for Best Start; and
- (c) Getting Started.

This document responds to Ontario's Best Start Strategy which provides a total of \$1.1 billion in funding, with Toronto receiving \$125 million, over the next 3 years to:

- (i) expand regulated early learning and child care spaces and subsidies. The first priority for expansion will be for children in junior and senior kindergarten for non-school hours with the gradual expansion of early learning and child care spaces and subsidies for younger children ; and
- (ii) plan for community/neighbourhood hub delivery system (predominantly in Ontario's publicly-funded schools) to bring together screening, assessment and treatment, child care and parenting programs, with direct links to other children's services, such as mental health services and speech and language resources to be implemented by 2016.

Responding to the above priorities, this report lays out the vision and framework for the planning and delivery of child and family services in the City of Toronto, and provides the platform for future advocacy for a comprehensive and equitable system of integrated, inclusive and high quality services for children aged 0 – 12. It is a companion document to the Best Start Service and Transition Infrastructure Plan (November 2005) and the City of Toronto 2005 – 2009 Child Care Service Plan (May 2005).

The Best Generation Yet, (June 2005) provides the framework for the expansion and integration of Toronto's services for children 0 – 12, and for the implementation of the Toronto Best Start Plan (0 – 6). It provides the framework for City plans for children, and ties this together with the initiatives from other orders of government.

(2) The Toronto Vision for Children:

“Regardless of the socio-economic status of his/her family and community, every child has the right to childhood experiences, which promote the chances of developing into a healthy, well-adjusted and productive adult”.¹

Toronto shall be a City where:²

- (i) children are recognized as unique human beings with differing needs for nurturing and support from their families, communities and society;
- (ii) all children have adequate income, health, housing, food and nutrition, care and education, safety and security, recreation, leisure and cultural experiences. The supports necessary to achieve this will be available at all stages of childhood: pre-conception, pre-natal, post-partum, pre-school and school age. They will ensure the healthy physical, intellectual and social development of children “in the here and now” as well as build the foundation for their development into competent adults;
- (iii) families with young children have timely access to a range of universal, high-quality, developmental and affordable programs which support them, throughout the family-life cycle, in their roles as parents, workers and urban citizens;
- (iv) communities welcome children and are fully engaged in the creation and operation of neighbourhood-based service “hubs” that provide expanded, comprehensive, culturally-appropriate, high-quality environments and programs built on the best available knowledge of child development and provision of services for children;
- (v) clean air and water and a sustainable environment are understood by everyone as integral to a healthy childhood; and
- (vi) all governments, authorities and organizations involved in programs for young children and families work together to plan, develop, administer, fund, regulate, deliver and are accountable for a new service system built on goals and targets for quality, expansion, accessibility and effective use of resources. Their task will be to turn separate services into a coherent system of services.

Adopted by Toronto City Council, November, 1999

Adopted by the Mayor's Roundtable on Children, Youth and Education (January, 2005)

(2.1) Best Start goals:

By 2016 Toronto Best Start will put the Toronto Vision into action for young children and their families. It aims to:

- (i) create a comprehensive system of services that supports children and their families with specific plans to address the needs of Francophone and Aboriginal populations and children with special needs from birth to age twelve;
- (ii) establish access for all children and families to community/neighbourhood hubs that are located in, or linked to, elementary schools wherever possible;
- (iii) increase access to a continuum of early identification and intervention services;
- (iv) support parents to participate in their child's early learning and development as they pursue work, study, family, and community responsibilities;
- (v) measure outcomes for children using the Early Development Instrument and other measurement tools to identify patterns, needs and future directions in programs and services for young children; and
- (vi) identify policy, resource and systems issues, and gaps.

The Best Start plan will be consistent with Toronto's Vision for children and Best Start goals, and will support the development of services that are:

- (i) based on knowledge of the importance of the early years and early child development;
- (ii) publicly resourced for long-term sustainability;
- (iii) flexible and coordinated to maximize resources and facilitate access;
- (iv) delivered by qualified, professional staff supported by pre- and post-employment training and development, and paid at a level that reflects the value of their work; and
- (v) responsive to neighbourhood needs, with additional supports for children in special circumstances due to socio-economic status, family structure, race and ethnicity, ability, or other such grounds.

(3) Building the vision:

Building the Toronto Best Start Plan:

Information and consultation sessions were carried out in Toronto from October to December 2005. Sessions were designed to update the community on Best Start activities taking place at both Provincial and Municipal levels, and to solicit initial recommendations from the community on general principles and implementation strategies being considered for Best Start in Toronto.

Feedback from the consultation sessions informed the development of the Toronto Best Start Plan, and will provide direction for future consultation and implementation strategies. A working-group of the Toronto Best Start Network was charged with formulating surveys and focus group questions, and to develop the Toronto Best Start Plan, with further input from the broader Best Start Network.

While timelines restricted the extent of this preliminary consultation stage, every effort was made to meet with a cross-section of parents, service providers and networks within Toronto. Sessions were held in various locations across the city, with a number of stakeholders.

Parents:

Representative	Location	Date
Ontario Early Years Centre (O.E.Y.C.)	North York	November 23
Parent Action Network	Downtown – west	November 17
Community centre	Downtown - east	December 3
Child care board of directors	Scarborough	December 5

Focus group questions and responses (Appendix B)

Service provider community – quadrant-wide sessions:

Representation at these sessions was cross-sectoral, including but not limited to; child care, children's mental health, special needs, O.E.Y.C.

Representation	Location	Date
Cross-sectoral	North York	October 28
Cross-sectoral	Etobicoke	October 19
Cross-sectoral	Downtown	October 17
Cross-sectoral	Scarborough	October 26

Coalitions/networks:

Representation	Location	Date
Action for Children Today and Tomorrow (A.C.T.T.)	Downtown - East	October 24
Scarborough 0-6 Committee	Scarborough	October 31
York South-Weston riding table	North/West Toronto	November 16
Black Creek Community Partners	North/West Toronto	December 7
North Toronto 0-6 Coalition	North/Central Downtown	December 6

A series of questions were posed to networks/coalitions:

What recommendation did they have regarding local planning and implementation?

How would this structure ensure broad community/neighbourhood input?

Aboriginal and Francophone community:

The Best Start Network has been working with representatives in the Francophone and Aboriginal communities to begin outlining a meaningful process for consultation and implementation of the community/neighbourhood hub delivery system within their communities. A Francophone working group and an Aboriginal advisory group have been formed to facilitate this process.

(4) Building a system and community capacity for Best Start:

Service integration is essential to developing a high quality early learning and care system for Toronto.

- (i) The Toronto Best Start vision promotes service integration for all families through the development of the neighbourhood hub delivery system - child care, kindergarten and family support programs will be at their core.
- (ii) The neighbourhood hub delivery system will promote and strengthen collaborative efforts amongst service providers.

(4.1) Toronto Best Start Network – systems level:

Successful implementation of the community/neighbourhood hub delivery system will require strong leadership, willingness to collaborate, community focus, school involvement, adequate resources and information, and effective communications. To achieve this it is important to:

- (i) Have at a systems level, an organizational structure that supports integration – one that creates a foundation and linkages; identifies opportunities, barriers and successes and, that informs and facilitates strategic planning across the system.

The Toronto Best Start Network provides a structure to support the vision of service integration to best meet the needs of families in the community.

The Best Start Network will:

- (i) inform the development of an integrated, comprehensive system of services that supports families and their children from conception through the transition into school (0 – 6 years) including provisions for children with special needs, Francophone and Aboriginal populations;
- (ii) identify and monitor service, policy, resource and systems issues;
- (iii) build cross-sectoral linkages and agreements to increase service integration;
- (iv) involve key service providers in the community;
- (v) integrate plans to enhance early identification and intervention programs;
- (vi) support the identification of existing and development of new service protocols to support service integration;
- (vii) support the engagement of parents in the planning and implementation of the community/neighbourhood hub delivery system; and
- (viii) build on existing Regional and local coordinating networks, addressing Francophone/Aboriginal realities.

Shared accountability and declaration of commitment:

It is important to ensure that there is accountability in decision-making processes and monitoring of the impact that planning outcomes may have on the children's service system.

This will be achieved through:

- (i) A shared Memorandum of Understanding between the core service providers – the City of Toronto Children’s Services, the four School Boards and Toronto Public Health – describing partner roles and responsibilities and their commitments to service integration.

Key components of the Memorandum of Understanding will include:

- (i) Partnership description;
- (ii) Declaration of commitment;
- (iii) Description of roles and responsibilities in the service delivery process in building and maintaining a comprehensive multi-year focus on service integration; and
- (iv) Endorsement from the Best Start Start Network members.

Monitoring and accountability:

Achieving the vision will require shared political commitment, public and institutional support and accountability mechanisms to measure our progress. In order to track progress from co-existence to collaboration and consolidation of early learning and child care programs, it is proposed that a management tool be implemented as an integral component for monitoring and accountability. The Indicators of Change, a management tool developed by Toronto First Duty is used to track progress along the continuum.

- (5) The community/neighbourhood hub delivery system:

Strategies to implement the community/neighbourhood hub delivery system will happen across the children’s service system and are not solely tied to the expansion of child care or any specific funding allocation. Implementation strategies will build on what exists, and move forward based on opportunities and community need. The community/neighbourhood hub delivery system is predicated on adequate and stable funding; however the initial stages of moving forward will be built on existing resources.

In addition, there is a recognition that the system of services to the Aboriginal and Francophone community may be different, in keeping with the unique characteristics and needs of those communities. The community/neighbourhood hub delivery system must be responsive to the challenges and obstacles of these communities, given their provincial responsibility and socio-demographic make-up.

Central to the community/neighbourhood hub delivery system is the collaboration/integration of the three core early childhood services – child care, kindergarten and family supports. From this service platform, families can be linked to more specialized services as required. Lessons learned from projects such as Toronto First Duty will inform the development of service integration.

Through the development of community/neighbourhood hubs, communities may benefit from the following outcomes:

- (i) improved outcomes for children;
- (ii) greater awareness of child development;

- (iii) increased participation of children in the enjoyment of quality early childhood learning, care and support services;
- (iv) improved access by families to a comprehensive range of services;
- (v) enhanced parent participation in their children's early learning;
- (vi) enhanced links and coordination between education, child care and family support services;
- (vii) innovative practice in the provision of services which are responsive to the needs of families and children; and
- (viii) cross-government commitment to the provision of services

Families with children with special needs will benefit from:

- (i) Greater awareness of the services available to support inclusion of children with special needs;
- (ii) Enhanced coordination between community service providers to ensure services are responsive to the needs of children with special needs; and
- (iii) Simplified access to services that support children with special needs.

(5.1) Community/neighbourhood hub core elements:

"Hub-like" activity exists presently in Toronto. In many communities, organizations integrate and/or coordinate services for families and children. Although the core elements (kindergarten, child care and family support) form the platform for integrated service delivery, local need and resources will determine how programs work together and what additional services are available. There are currently over 300 sites where services are collocated and could serve as natural building blocks for integration. (Appendix E)

The core elements of community/neighbourhood hub service delivery include:

- (i) a community/neighbourhood partnership agreement reflecting the vision and goals of Toronto Best Start;
- (ii) a high quality learning and care environment that combines learning expectations, activities and routines from existing kindergarten, child care and family support programs;
- (iii) an early years staff team including teachers, early childhood educators, educational assistants and family support staff and others who work together toward common goals;
- (iv) inclusive access, meeting the needs of all children and families;
- (v) a governance structure to support community/neighbourhood planning, service integration and local decision making;
- (vi) a continuum of supports and services responding to the changing needs of all families and children, and making the most efficient use of resources; and
- (vii) parent participation in their children's early learning and development through direct involvement in programs, planning and decision-making, and an opportunity for participation at the governance structure.

Community/neighbourhood hub service locations:

Wherever possible, community/neighbourhood hubs will be located in schools. The hubs will include the core early childhood services: child care, kindergarten and family support programs, and will incorporate the community/neighbourhood hub service delivery framework to achieve service integration.

- (i) Services may take place under one roof or through multiple locations and may be provided by one organization or several working in collaboration. This approach is consistent with Ministry priorities and builds on the considerable work already done by the municipality and school boards and recognizes the ongoing efforts among service providers to co-ordinate service delivery for families; and
- (ii) Parents may choose to use services in their home neighbourhood or their work community, and can expect the same high quality service regardless of location.

The activities of the community/neighbourhood hub include:

- (i) Licensed child care for children from birth to 4 years;
- (ii) An integrated licensed child care/kindergarten program with option to attend a half-day, a full day or an extended day for 4 and 5 year-olds;
- (iii) A variety of wide ranging, high quality, developmentally and culturally appropriate before and after school programs, such as licensed child care, social – recreational programs, sports, arts, music, and library services that could be offered as part of the hub site or in the community as appropriate;
- (iv) Family support providing a range of parenting resources, links to other community services, as well as early learning and school readiness programs;
- (v) Links to public health programs, such as, Healthy Babies Healthy Children, Preschool Speech and Language, Healthiest Babies Possible, Parent Education, Early Identification and Dental Care;
- (v) Nutrition programs such as breakfast, lunch, healthy snacks, Peer Nutrition;
- (vi) The ability to facilitate access for families to other services; and
- (vii) Links to public libraries such as Baby Time, Toddler Time, Preschool Story Time, Leading To Reading and parenting programs, as well as the collections and services of the public library.

It is recognized that in some locations it may not be viable to offer the full spectrum of early learning and care programs and flexible approaches to service delivery must be considered in the planning and delivery of services. (Appendix D – Map of child care programs for 4 and 5 year olds located in elementary schools and Appendix E – Map of services for children which are collocated).

(6) Getting started:

February through June 2006:

The Toronto Best Start Network will move forward in developing strategies to support the planning and implementation of the Toronto Vision for Children once the plan is formally endorsed. Strategies will include establishing the community/neighbourhood planning process.

Establish an implementation coordinating group:

The Toronto Best Start Network will establish an implementation group responsible for guiding implementation of the Toronto Vision for Children and resolving key issues, barriers and obstacles to developing a community/neighbourhood hub delivery system. This group will be a subcommittee of the Network. To develop the group, the network will re-constitute the original signatory group which includes; 4 school boards, Public Health, Ministry of Children and Youth Services, Consolidated Municipal Service Manager and the Ministry of Education. Additional members will be identified building on existing partnerships and planning structures. The First Duty Project Steering Committee could provide some leadership in this area.

(6.1) The Toronto Best Start planning process:

A planning process will be established to guide the development of a community/ neighbourhood hub delivery system; ensure equitable distribution of services throughout Toronto; and ensure equity and access for all families with children aged 0 – 6. The planning process will:

- (i) include and facilitate consultation with existing stakeholders, service providers and their networks;
- (ii) include and facilitate consultation with all members of the community concerned with children and families, particularly parents and caregivers; and
- (iii) be open and transparent.

Community consultation/planning:

Community consultation will include parents and caregivers, community members and sectors involved in planning and delivery of services for families and children.

Parents	Service providers	Other
- Working parents	- Licensed child care/home child care	- Business representatives
- Stay at home parents	- Education	- Community and faith groups
- Users of child care	- Recreation	- Individuals
- Users of parenting/family resource	- Specialized services (including, but not limited to: children's mental health, PSL, IHP, special needs resources)	- Local children/family service planning networks and coalitions
- Families with children with special needs	- Family resource/parenting/O.E. Y.C.	- Elected officials
- Users of recreation programs	- Health	
- Aboriginal and Francophone parents		

(6.2) Parent engagement strategy:

Ongoing parental engagement is an important component of Best Start and the Toronto Vision for Children. A comprehensive parent engagement strategy will be developed to inform parents and the community on the Vision for Children. Caregivers and the community will need to be informed of the importance of early learning and child care and the benefits of a community/neighbourhood hub delivery system. Parent participation in the planning and implementation of Best Start is essential.

The parent engagement strategy will aim to:

- (i) Inform parents about the importance of early childhood development;
- (ii) Inform parents about the Toronto Vision for Children;
- (iii) Seek input on the vision and identify how the community/neighbourhood hub service delivery system can support them;
- (iv) Increase parent's participation in Best Start programs and services; and
- (v) Increase parent's participation in the planning and governance of the community/neighbourhood hub delivery system.

(6.3) Challenges to implementing Toronto's Vision for Children:

Funding barriers:

- (i) Lack of funding to implement the community/neighbourhood hub delivery system;
- (ii) Availability of space in schools and occupancy costs;
- (iii) Unfunded community agencies – agencies required to assume management and administrative costs;
- (iv) Operating costs to accommodate coordination and facilitation activities; and
- (v) Increased demand on existing programs without increased funding.

Policy barriers:

- (i) Fractured funding structure and liability issues in integrated settings;
- (ii) Combining universal and targeted programs for children 0 – 6 is a primary barrier to integrating services:
 - (a) Kindergarten is available with no fee to parents for all children, ages 4 and 5;
 - (b) Parenting/family support and other programs such as the Ontario Early Years Centres have no or very low fees. Where they are available, programs are open to all pre-schoolers attending with their parents;
 - (c) Families who cannot afford full fee child care and are ineligible for fee assistance currently face affordability barriers; and
- (iii) Some provisions of Ontario's Day Nurseries Act limit program flexibility including sole recognition of the Early Childhood Educator credential in ratios and restrictions of age groupings;
- (iv) Inconsistent pedagogy of early learning and child care;
- (v) Convergence of multiple plans and visions: Child Care Service Plan, Ontario Early Years Centres, City of Toronto Best Generation Yet, and community agencies;

- (vi) Lack of integrated management information systems to support planning and monitoring; and
- (v) Harmonizing of existing policies and operations.

Institutional barriers:

- (i) Coordination among different service providers demands the harmonizing of existing policies and operations;
- (ii) Convergence of different service providers from numerous mandate; and
- (iii) Opposing perceptions of imposed values and beliefs about early childhood development.

Other:

- (i) Engagement of community;
- (ii) Public education and training; and
- (iii) Incentives for people and organizations to act in a new way.

(6.4) Key deliverables:

Critical Path (Appendix C)

Year 1 to 5 (2006 – 2011) (not stated in order of priority)

Consultation and planning:

- (i) Develop and implement a consultation strategy;
- (ii) Identify implementation planning mechanisms at the system and neighbourhood level;
- (iii) Develop implementation action plan;
- (iv) Develop a plan to monitor progress on the development of the community/neighbourhood hub delivery system;
- (v) Set targets and timelines;
- (vi) Identify community development strategy; and
- (vii) Identify training needs.

Data collection/mapping:

- (i) Develop benchmarks and service levels;
- (ii) Create community profiles;
- (iii) Identify community demographics;
- (iv) Map clusters of services; and
- (v) Establish an integrated data management system to support planning.

Neighbourhood level:

- (i) Development of community/neighbourhood action plans; and
- (ii) Establish community development process to support planning.

Appendix A – Research indicates that service integration is supported by:

- (i) An understanding that all children benefit from quality early learning experiences;
- (ii) A paradigm shift in service provision from separate silos to collaborative partnering in all sectors;
- (iii) Service providers and their system leaders understanding the reasons for integration, and believing in it;
- (iv) Sufficient time for inter-disciplinary staff teams to develop trusting, respectful relationships by providing opportunities for professional development, and to enable joint planning and programming;
- (v) The harmonization of staff qualifications and remuneration across sectors;
- (vi) The creation of a formal process/structure for surfacing and addressing barriers and issues;
- (vii) The leadership of school principals, family support workers and child care supervisors. They, along with other community champions, provide the top-down support and leadership;
- (viii) Engaging key community stakeholders (families, service providers, advocates and elected representatives) early on in the groundwork phase, to ensure community understanding of early learning and care;
- (ix) The professional development of staff, and the development of teaching materials that reflect research-based understandings of children's learning and the development of public policies that support the provision of quality preschool experiences are key components to realizing the full potential of young children;
- (x) The presence of well trained staff as the most important predictor of quality in both child care and kindergarten; and
- (xi) Skills and expertise in facilitation and coordination to support community development.

Appendix B – Focus group questions and responses:

Four parent information/consultation sessions were held in late November/December 2005 to provide a snapshot of parent input. Parents involved in this preliminary consultation represent the following groups:

- (i) 1 group O.E.Y.C. parents;
- (ii) 1 childcare board;
- (iii) 1 parent advocacy group; and
- (iv) 1 community parent meeting.

What do you consider are the most important services for families with children 0 – 12 years?

- (i) Free programs for infants and toddlers for 2 hours;
- (ii) Free or low cost to family;
- (iii) Early learning and care/child development programs;
- (iv) Early identification of special needs (e.g. Autism), prevention, health;
- (v) More spaces for registered parks and recreation programs;
- (vi) Part-time/flexible spaces;
- (vii) Subsidy;
- (viii) Quality childcare;

- (ix) Having after school programs and out of school learning e.g. Kumon math/Sylvan;
- (x) Early years centres;
- (xi) Integration of services: childcare and schools working together;
- (xii) School age program with activities, sports, excursions, clubs atmosphere;
- (xiii) Child care should be available in (every child's) home-school;
- (xiv) Community use of school outside school hours;
- (xv) Health screening/early identification;
- (xvi) In-service [training for staff] provided by Public Health;
- (xvii) Parent drop-in/parenting centre available in all schools;
- (xviii) Integration with existing services, so parents can easily be linked from one program to another; and
- (xix) Improve quality of Parks and Recreation.

What issues affect accessibility for families to programs/services in Toronto, and what suggestions do you have to make this easier?

- (i) Location and distance;
- (ii) Cost and [childcare] subsidy inflexibility;
- (iii) Times/schedules (Satellite O.E.Y.C. programs need more hours);
- (iv) Proximity to school (for school-age children);
- (v) Unaware of what services exist – don't know where to access information;
- (vi) Language barriers - ESL can make it difficult to access services;
- (vii) Those without status in Canada – can't access services (e.g. schools);
- (viii) Many newcomers are not used to the cold so traveling during the winter isn't an option;
- (ix) Currently programs aren't connected so difficult to transition from one to another;
- (x) Competition between programs in the past has meant services don't refer as much as needed; and
- (xi) Getting around Scarborough is difficult if you don't have a car. Schools are the ideal infrastructure as they're in every community and walkable.

Suggestions:

- (i) Outreach in various languages;
- (ii) TTC accessible;
- (iii) Must be in the neighbourhood. Needs to be in walking distance [from home];
- (iv) Send information out through citizenship/immigration (would get to all new immigrants);
- (v) Information available through Doctors offices;
- (vi) Need short-term, part-time, overnight and weekend child care;
- (vii) Reduce cost of child care;
- (viii) Staff and programs should be representative of the community;
- (ix) Programs that parents/children can relate to;
- (x) More options – history, music (not just choir or classical music);
- (xi) More inclusive, multi-cultural;
- (xii) Flexibility, diversity;
- (xiii) Hours of childcare and lack of availability of part-time care; and
- (xiv) Outreach needs to be done on a human scale – one to one communication. Too much on the internet.

Where in your community would be the best place for families to go for programs/services?

- (i) The school – every neighbourhood has a school;
- (ii) Not every neighbourhood has a child care or a community centre;
- (iii) Community centre - different services currently available, close to home;
- (iv) Home child care can be more flexible; and
- (v) Bring services to the family (home visitors, or specialists to child care, etc.).

As the funding available through Best Start is aimed at children 0 – 6 years, what suggestions do you have for us in how we should address the issue of caring for children 6 – 12 years?

- (i) After-school programs and place to do homework (otherwise children left home – alone);
- (ii) Workshops for parents;
- (iii) Workshops for children;
- (iv) Quality programs;
- (v) Summer and school holiday programs;
- (vi) Spend money on prevention – keeping kids out of trouble (gang/gun issue);
- (vii) Children need options (chess club, sports, music, drama etc.);
- (viii) Free or low cost to family;
- (ix) Homework club;
- (x) ESL for new and recent immigrant children and youth (cutbacks in elementary and ESL programs affect academics); and
- (xi) Neighbours helping.

Flexible hours:

- (i) Recreational/physical activity programs;
- (ii) Programs to develop social skills, arts, and athletic skills e.g. dance, music, art;
- (iii) Open up school gym, computer lab. Use existing space, don't create more space;
- (iv) Doesn't make sense to have parallel infrastructure (e.g. recreation facility next to school)
- (v) Structured activity after school;
- (vi) Staff qualifications, not 16 – 18 year olds left alone with children at Parks and Recreation; and
- (vii) Mentoring opportunities, and encouraging/promoting youth leadership, e.g. Boys and Girls Club (Leaders in Training).

Other comments/suggestions:

- (i) More resource educators/teaching assistants for children with specific needs;
- (ii) More male staff;
- (ii) Schools currently cutting costs. How will this affect them?;
- (iv) Need to change existing structures/relationships (schools in particular) – school currently focused on 8 – 4pm. Need to have a holistic approach to programming, not just create more spaces;
- (v) Not every school is good to expand, need to work with the community;
- (vi) How will this affect existing programs?;
- (vii) What if my child isn't Catholic? They won't have access to the school/childcare in our neighbourhood;

- (viii) Too many hurdles to get info for parents;
- (ix) Need funding for 6 – 12 year olds;
- (x) Use leftover capital funding for 6 – 12 year olds;
- (xi) Policy challenge – leadership roll;
- (xii) Engage the business community – including service clubs;
- (xiii) Less territorialism and competition between services;
- (xiv) Review/revise subsidy eligibility, otherwise we'll have empty childcare centres; and
- (xv) Problematic to look only at areas with high child poverty areas. Parents are often willing/able to pay, but have little access to care.

(Copies of Appendix 2, Flow Chart – City of Toronto: Integrated Children's Planning Initiatives, and, Appendix C – Critical Path, Appendix D – Child Care Programs for 4 and 5 Year Olds Located in Elementary Schools and Appendix E – Services for Children which Are Collocated appended to Appendix 3, were forwarded to all Members of Council with the March 8, 2006, agenda of the Community Services Committee and a copy is on file in the City Clerk's Office, City Hall.)

The Policy and Finance Committee also submits the report (March 22, 2006) addressed to the Budget Advisory Committee from the General Manager, Shelter, Support and Housing Administration entitled "2006 and 2007 Budget Adjustments of \$15,724,083 gross, with \$0 Net Impact, for Shelter, Support and Housing Administration":

Purpose:

Council has made a number of decisions related to housing and homelessness initiatives. The purpose of this report is to reflect those decisions in the 2006 Shelter, Support and Housing Administration Budgets, including: 2006 and 2007 budget implications resulting from an additional federal allocation to the Supporting Communities Partnership Initiative (SCPI) for the 2006/07 fiscal year; provincial funding for the Housing Allowance Component of the Canada-Ontario Affordable Housing Program and the Strong Communities Housing Allowance Program - Toronto Pilot; budget adjustments to the planned spending of the proceeds of the former Princess Margaret Hospital; funding allocations for administrative costs for two projects under the Strong Start Program – Rental and Supportive Housing Component; and to recommend other technical adjustments to the 2006 BAC Recommended Operating Budget.

Financial Implications and Impact Statement:

The recommendations in this report reflect a total increase to the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration of \$15,724,083.00 gross, with \$0 net impact. The table below summarizes these budget adjustments:

	Gross	Revenue	Net
2006 BAC Recommended Operating Budget	668,479,600	392,660,700	275,818,900
Rec 1 – SCPI Allocation	12,000,000	12,000,000	0
Rec 3 – Social Housing – Housing Allowance	1,057,450	1,057,450	0
Rec 4 – Social Housing – Strong Communities	1,800,000	1,800,000	0
Rec 5 – Princess Margaret	1,815,468	1,815,468	0
Rec 6 – Social Housing – Strong Start	223,865	223,865	0
Rec 7 – Technical Adjustments	(1,172,700)	(1,172,700)	0
Total Adjustments	15,724,083	15,724,083	0

The additional federal allocation of \$17,296,389.00 of the Supporting Communities Partnership Initiative (SCPI) will have no net impact on the 2006 or 2007 operating or capital budgets, as expenditures under the SCPI program are fully recovered from the federal government through ServiceCanada. The additional funding is available April 1, 2006 and must be expended by March 31, 2007. This additional allocation will result in an increase to the 2006 SCPI budget of \$12,000,000.00, bringing the 2006 SCPI budget to \$29,870,500.00. The remaining \$5,296,389.00 will be included in the 2007 SCPI budget, to be expended in the first quarter of 2007.

The \$12,000,000.00 SCPI allocation includes \$1,565,300.00 to fund the Shelter and Referral Centre at 110 Edward Street from April, 2006 through December, 2006, as well as \$350,000.00 to increase the 2006 Capital Budget for the Shelter Management Information System project (SMIS) to provide agencies with enhanced capacity to utilize the SMIS system, once it is implemented.

It is also recommended that the 2006 operating budget be increased by \$1,057,450.00 for the Housing Allowance component of the Canada-Ontario Affordable Housing Program. This includes an upfront payment of approximately \$450,000.00 for administrative costs and \$570,000.00 for payments to landlords. Funding will be forwarded to Toronto Community Housing Corporation (TCHC) in keeping with previous Council direction that TCHC act as delivery agent for the program.

The second instalment of \$1,800,000.00 for the Strong Communities Housing Allowance Program – Toronto Pilot is due to be received by March 31, 2006 from the province. Funding will be forwarded to Toronto Community Housing Corporation (TCHC) in keeping with previous Council direction that TCHC act as delivery agent for the program.

It is also recommended that unspent funds from prior years in the amount of \$1,815,468.00 from the proceeds of the former Princess Margaret Hospital be carried forward to 2006 to fund housing and homeless initiatives as approved by Council at its meeting of January 31, February 1 and 2, 2006, in the report titled “Update on the Provincial Housing and Homelessness Funding from the Net Proceeds on the Sale of the former Princess Margaret Hospital and Request for Reallocations.”

This report also recommends that of the \$298,486.00 in administrative funding provided to the City by the province under the Strong Start Program – Rental and Supportive Housing Component, that \$223,865.00 be allocated to Shelter, Support and Housing Administration for 2006. The remaining \$74,621.00 will be included in the 2007 operating budget.

In addition, this report also recommends reducing the 2006 BAC Recommended Operating Budget by \$1,172,700.00 gross and \$0 net, primarily reflecting adjustments for one-time funding for Sojourn House and Street to Homes from 2005 that will not continue into 2006.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) with respect to the 2006 SCPI allocation of \$12,000,000.00:
 - (a) funding in the amount \$12,000,000.00 be allocated to the SCPI Community Plan objectives as approved by Council at its meeting on January 31, February 1 and 2, 2006.
 - (b) funding in the amount of \$1,565,300.00 be used to continue the Shelter and Referral Centre at 110 Edward Street from April, 2006 through December, 2006, rather than the Social Housing Stabilization Reserve Fund as included in the 2006 BAC Recommended Operating Budget;
 - (c) the 2006 Capital Budget for the Shelter Management Information System (SMIS) be increased by \$350,000.00 (with \$50,000.00 funded in 2006, and \$300,000.00 funded in 2007) to provide agencies with the enhanced capacity to utilize the SMIS system;
 - (d) three temporary positions through to March 31, 2007 be added to support the implementation of the 2006 SCPI Community Plan; and
 - (e) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$12,000,000.00 gross and \$0 net.
- (2) the General Manager, Shelter, Support and Housing Administration report back to Community Services Committee on how increased funding of \$3,296,389.00, from an originally anticipated allocation of \$14 million in new SCPI funds, will be allocated in line with the SCPI Community Plan objectives;
- (3) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450.00 gross, \$0 net for the Housing Allowance component of the Canada-Ontario Affordable Housing Program;

- (4) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000.00 gross, \$0 net conditional upon receipt of provincial grants and subsidies for the Strong Communities Housing Allowance Program - Toronto Pilot;
- (5) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,815,468.00 gross, \$0 net for new and/or enhanced homelessness/ housing initiatives funded from the proceeds of the sale of the former Princess Margaret Hospital;
- (6) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,865.00 gross, \$0 net to administer the 110 Edward Street and Wychwood Green/Arts Barn projects under the Strong Start Program – Rental and Supportive Housing Component and that one temporary position be added for this purpose;
- (7) the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be reduced by \$1,172,700.00 gross and \$0 net, primarily to reflect one-time funding in 2005 not continuing into 2006; and
- (8) the appropriate City Officials be authorised and directed to take the necessary action to give effect thereto.

Background:

In November 2005, the federal government announced that additional funds would be allocated to the City of Toronto under the Supporting Communities Partnership Initiative, a national program to reduce and alleviate homelessness. At that time the City was told to anticipate approximately 25 to 30 percent of the previous allocation, or about \$14 million. At the meeting on January 31, February 1 and 2, 2006, Council approved the recommendations in the staff report titled “Additional Funding for the Supporting Communities Partnership Initiative (2003-2006),” that authorized Shelter, Support and Housing Administration to enter into an agreement with the federal government for the additional funds and to allocate these funds across the six previously approved SCPI Community Plan objectives. Because the actual allocation was not confirmed, staff based the estimates on an allocation of \$14 million, noting that the estimate was subject to subsequent confirmation. On February 16, 2006, the City was informed that the funding allocation will be \$17,296,389.00 (formal confirmation of this allocation is still pending). Of this amount, \$12 million is recommended for inclusion in the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration.

At its meeting of October 2005, Council approved a report titled “Participation by the City of Toronto in the Affordable Housing Program”. The report authorized the General Manager, Shelter, Support and Housing Administration to enter into necessary agreements with the province to secure Toronto’s allocation of 1,800 housing allowances. At that time, the City was advised it would receive a funding allocation of \$37.8 million and that funds would flow from 2006 until 2013 based on the submission of a signed Memorandum of Understanding (MOU) and a delivery “take-up plan”. The City submitted the MOU and take-up plan in mid March 2006 as per the provincial requirements. The take-up plan establishes the rate at which the City will deliver the housing allowances and the rate at which the City will receive the corresponding

funding from the province. It is recommended that the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,057,450.00 gross, \$0 net.

At its meeting of February 2005, Council was advised of a new housing allowance pilot program in the report titled “New Provincial Strong Communities Housing Allowance Program - Toronto Pilot” and the availability of \$3.6 million in provincial funding. The first installment of this funding in the amount of \$1.8 million was forwarded by the province in 2005. Confirmation by the province of a second installment for 2006 was not received until early March 2006, and as a result was not included in the 2006 BAC recommended Operating Budget for Shelter, Support and Housing Administration.

On January 8, 2004, the Province announced that \$3,500,000.00 in net proceeds from the sale of the former Princess Margaret Hospital would be provided to the City for housing and homeless initiatives. In order to flow the funds to the City, the Province required a City Council resolution to accept the funds and funding conditions, and to use the funds for new and/or enhanced homelessness/housing initiatives. At its meeting of March 1, 2 and 3, 2004, City Council accepted the funds with the funding conditions, and approved the allocation of these funds to five projects. As outlined in the Community Services Committee report of January 9, 2006, titled “Update on the Provincial Housing and Homelessness Funding from the Net Proceeds on the Sale of the former Princess Margaret Hospital and Request for Reallocations,” only part of these funds were spent within the original time frame; consequently it is recommended that the balance of the spending be deferred to 2006, requiring an adjustment to the 2006 BAC Recommended Operating Budget of \$1,815,468.00 gross, \$0 net.

At its meeting on January 31, February 1 and 2, 2006, Council granted authority to enter into a Service Manager Administration Agreement with the province for the Strong Start Program. This agreement is for the administration of two projects approved by the province. The agreement provides for revenues of 3.27 percent or \$298,486.00 of the CMHC capital funding allocated to the approved projects for the City’s administrative costs.

Comments:

SCPI:

The City will be receiving an additional allocation of \$17,296,389.00 for the Supporting Communities Partnership Initiative to reduce and alleviate homelessness in Toronto in 2006 and 2007. It is estimated that \$12,000,000.00 of this allocation will be invested in the community in 2006, and the remaining allocation of \$5,296,389.00 will be included in the 2007 Operating Budget.

The report approved at the January 2006 meeting of Council, titled “Additional Funding for the Supporting Communities Partnership Initiative (2003-2006),” outlined how additional funds of approximately \$14 million would be allocated across the six SCPI Community Plan objectives. The City was subsequently informed that the amount would be \$17,296,389.00, which is \$3,296,389.00 more than was originally anticipated. Staff will report to Community Services Committee at a later date on how the additional \$3,296,389.00 will be allocated in line with the SCPI Community Plan objectives.

Since the funding is not ongoing and must be expended by March 31, 2007, up to three additional temporary positions will be used to support the implementation of a number of the initiatives being undertaken over 2006/07. The 3 positions will be two Agency Review Officers (level 6.5) and one Policy Development Officer (level 7).

Included in the \$12,000,000.00 allocation of SCPI funds for 2006 is the recommendation that funding of up to \$1,570,000.00 be made available for the continuation of the operation of the 110 Edward Street Shelter and Referral Centre, for the period of April 2006 to December 2006. Currently the continuation of operations for the 110 Edward Street Shelter and Referral Centre is funded from the Social Housing Stabilization Reserve Fund, as reflected in the 2006 BAC Recommended Operating Budget.

As outlined in the SCPI report approved at Council at its meeting in January 2006, \$350,000.00 in additional funding was allocated to the Shelter Management Information System to provide agencies with enhanced capacity to utilize the SMIS system. The approval of this additional funding requires that the 2006 Capital Budget for SMIS be increased in total by \$350,000.00, with a 2006 cash flow of \$50,000.00, and a 2007 cash flow of \$300,000.00.

Housing Allowance Programs:

At its January 2006 meeting, Council was advised of the status of the program in a report titled "Update on the Status of the Housing Allowance Component of the Canada-Ontario Affordable Housing Program." Approximately 500 allowances can be delivered in 2006. This represents payments to landlords of around \$575,000.00. Upon execution of the MOU, the City will also receive an upfront payment of about \$470,000 for administrative costs. The City will forward these funds to Toronto Community Housing Corporation (TCHC) in keeping with previous direction from Council that TCHC act as the delivery agent for the Housing Allowance program. As a result, it is recommended that the 2006 BAC Recommended Operating Budget be increased by \$1,057,450.00 gross, \$0 net, to facilitate the delivery of the housing allowance component of the Canada-Ontario Affordable Housing Program.

In February 2005, Council approved the receipt of \$3.6 million in funding from the province for the Strong Communities Housing Allowance Program – Toronto Pilot. With confirmation from the province received in early March of this year that a second instalment of \$1.8 million will be forwarded in 2006, this report recommends that the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$1,800,000.00 gross, \$0 net. Once available from the province, the City will forward these funds to Toronto Community Housing Corporation (TCHC) in keeping with previous direction from Council that TCHC act as the delivery agent for the pilot.

Proceeds from Princess Margaret Hospital:

On January 8, 2004, the Province announced that \$3,500,000.00 in net proceeds from the sale of the former Princess Margaret Hospital would be provided to the City for housing and homeless initiatives. At its meeting of March 1, 2 and 3, 2004, City Council accepted the funds and the funding conditions and approved the allocation of these funds to five projects. To date \$949,932.00 has been invested in these projects. By March 31, 2006 an additional \$2,550,068.00 will be invested in approved projects. Of this amount, \$734,600.00 has already been included in

the 2006 BAC Recommended Operating Budget. As a result of delays in planned spending in the 2004 and 2005 Operating Budgets, the remaining \$1,815,468.00 will be spent in the first quarter of 2006, thus requiring that the 2006 BAC Recommended Operating Budget be increased by \$1,815,468.00 gross, \$0 net, to facilitate the completion of approved projects.

Administration Funding for the Strong Start Program:

In the report approved by Council at its meeting on January 31, February 1, 2, 2006, "Approval to Amend the Staff Report of January 6, 2006 Regarding 110 Edward Street and Authority to Enter into a Service Manager Administration Agreement for Strong Start Program – Rental and Supportive Housing Component," the report indicated that the Agreement provides for 3.27 percent of CMHC capital funding allocated for the City's administrative costs, associated with 110 Edward Street and Wychwood Green/Arts Barn as projects approved under the Strong Start Program. This amounts to an allocation of \$298,486.00.

This report recommends that the 2006 BAC recommended Operating Budget for Shelter, Support and Housing Administration be increased by \$223,864.00 gross, \$0 net for costs associated with the administration of these projects, including the addition of one temporary position (Social Housing Consultant, level 7.5) to do the work associated with the Social Housing Administration unit's pre and post-occupancy role in these projects to ensure they meet all requirements under the Strong Start Program and that they properly comply with all social housing requirements. The remaining \$74,622.00 will be included in the 2007 operating budget for Shelter, Support and Housing Administration.

Other Technical Adjustments:

As well, adjustments reducing the 2006 BAC Recommended Operating Budget by \$1,172,700.00 gross and \$0 net are required to reflect one-time funding enhancements included in the 2005 Operating Budget that will not continue into 2006 for Sojourn House and for Streets into Homes, and to adjust salaries to reflect actual requirements in 2006.

Conclusions:

This report recommends that the 2006 BAC Recommended Operating Budget be adjusted to reflect the following changes: increase the SCPI grant in the 2006 BAC Recommended Operating Budget by \$12,000,000.00 revenue, \$0 net, including an allocation of \$1,565,300.00 to fund the 110 Edward Street Shelter and Referral Centre, and an allocation of \$350,000.00 for an increase in the Shelter Management Information System, a project in the program's 2006 Capital Plan; increase the grants to Social Housing in the 2006 BAC Recommended Operating Budget by \$1,057,450.00 gross, \$0 net to deliver the housing allowance component of the Canada-Ontario Affordable Housing program; increase the grants to Social Housing in the 2006 BAC Recommended Operating Budget by \$1,800,000.00 gross, \$0 net to reflect the receipt of the second instalment of the Strong Communities Housing Allowance Program – Toronto Pilot; increase the grants for housing and homeless initiatives in the 2006 BAC Recommended Operating Budget by \$1,815,468.00 gross, \$0 net, to reflect reallocation of the proceeds from the sale of the former Princess Margaret Hospital; increase the grants to Social Housing in the 2006 BAC Recommended Operating Budget by \$223,865.00 gross, \$0 net, for administrative costs associated with implementing two projects under the Strong Start Program – Rental and

Supportive Housing Component; and reduce the 2006 BAC Recommended Operating Budget by \$1,172,700.00 gross, and \$0 net, primarily to reflect one-time funding that will not continue into 2006.

The recommendations in this report reflect a total increase to the 2006 BAC Recommended Operating Budget for Shelter, Support and Housing Administration of \$15,724,083.00 gross, with \$0 net impact.

Contact:

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e-mail: aalves@toronto.ca

The Policy and Finance Committee also considered the following communications/reports from the Budget Advisory Committee and the copies thereof are on file in the office of the City Clerk, City Hall:

- a Paper copy of PowerPoint presentation given by Carmelina Di Mondo, Manager, Forensic Unit, Auditor General's Office referred to in the communication dated February 23, 2006, from the Audit Committee;
- communications/report referred to in the communication dated February 27, 2006 from the Audit Committee:
 - (September 27, 2005) from Vincent Rodo, General Secretary, Toronto Transit Commission;
 - (February 6, 2006) from Calvin J. White, Chief Executive Officer, Toronto Zoo;
 - report (February 9, 2006) from the City Clerk; and
 - (February 21, 2006) from Maurice J. Anderson, President, Toronto Parking Authority;
- a copy of the presentation by Neville Gordon, on behalf of the Toronto Seniors Forum, referred to in the communication dated February 22, 2006, from the Roundtable on Seniors;
- communications referred to in the communication dated September 29, 2005 from the Board of Health:
 - (September 26, 2005) from Nathalie Karvonen, Executive Director, Toronto Wildlife Centre; and
 - (September 26, 2005) from A. Terpstra, International Institute of Concern for Public Health, Fluoride Toxicity Research Collaborative;

- (November 24, 2005) from Tim Trow, President, Toronto Humane Society, referred to in the communication dated November 29, 2005 from the Board of Health respecting “Dog and Cat Licensing Strategy”;
- communications referred to in the communication dated January 11, 2006, from the Administration Committee respecting “Status Report on Maintaining Services at East York Civic Centre”:
 - (December 28, 2005) from Juanita Downey;
 - (January 4, 2006) from Lorna Krawchuk; and
 - copy of the petition appended to the communication dated January 5, 2006, forwarded by Councillor Janet Davis;
- communications referred to in the communication dated January 20, 2006, from the Board of Health respecting 2006 Toronto Public Health Operating Budget:
 - (January 17, 2006) from Dr. Liana Nolan, President, Association of Local Public Health Agencies (alPHA);
 - (January 19, 2006) from Ann Dembinski, President, Local 79, Canadian Union of Public Employees; and
 - Appendix 1 entitled “2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target”, appended to the report dated January 16, 2006, addressed to the Board of Health from the Medical Officer of Health;
- communications referred to in the communication dated January 23, 2006, from the Administration Committee respecting 2006 Operating Budget – Administration Committee:
 - (January 5, 2006) from Russ Armstrong, Acting President, CUPE Local 79;
 - (January 5, 2006) from Mike O’Gorman;
 - (January 20, 2006) from Ann Dembinski, President, CUPE Local 79; and
 - 2006 Operating Budget Briefing Notes/Additional Information;
- communications referred to in the communication dated January 23, 2006, addressed to the Budget Advisory Committee from the Planning and Transportation Committee:
 - (September 19, 2005) from Councillor Giorgio Mammoliti addressed to the Administrator, Policy and Finance Committee;
 - (December 20, 2005) from the Toronto Pedestrian Committee, forwarding recommendations for the Planning and Transportation Committee to consider during the 2006 Operating Budget deliberations;
 - (January 6, 2006) from May Chow, Chair, Bay Corridor Community Association, in support of the continuation of the Neighbourhood Beautification Program;
 - (January 5, 2006) from Russell Scott, Coordinator Children and Youth Services, Julie Troung, Co-ordinator, Human Resources and Administration, in support of the continuation of the Neighbourhood Beautification Program;

- (January 5, 2006) from Rafael Gomez, Executive Director, ThinkTankToronto, in support of the continuation of the Neighbourhood Beautification Program;
 - (January 5, 2006) from Elaine Lapraire and Susan McKillen, in support of the continuation of the Neighbourhood Beautification Program; and
 - (January 9, 2006) from Russ Armstrong, Acting President, Canadian Union of Public Employees, Local 79;
 - (January 6, 2006) from Ed Clements, Director of Resident Services. Christie Gardens, encouraging Members to support the continuation of the Neighbourhood Beautification Program at Christie Gardens; and
 - (undated) from Deputy Mayor Sandra Bussin, Chair, Roundtable on a Beautiful City, requesting funding in 2006 for the continuation of the Neighbourhood Beautification Program;
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- Appendix D entitled “2006 Operating Briefing Notes from the Budget Advisory Committee;
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- Appendix A - Net Expenditures, Appendix B – Gross Expenditures, Appendix C – Gross Revenues, and Appendix D – Technical Adjustments appended to the report dated March 23, 2006 entitled “2005 Preliminary Year-End Operating Variance Report” addressed to the Budget Advisory Committee were distributed with the March 27, 2006, agenda of the Budget Advisory Committee;
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- Appendix A - Reserves as of December 31, 2005, Appendix B - Council Directed Reserve Funds as of December 31, 2005, and Appendix C - Obligatory Reserve Funds as of December 31, 2005 appended to the report dated March 3, 2006 entitled “2005 Reserve and Reserve Fund Variance Report” addressed to the Budget Advisory Committee were distributed with the March 27, 2006, agenda of the Budget Advisory Committee;
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- (March 2, 2006) from Minister George Smitherman, Ministry of Health and Long-Term Care addressed to Mayor David Miller respecting directions for public health funding in 2006;
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- Appendix 2 – Dedicated Gas Tax Funds for Public Transportation Program: 2005/2006 Guidelines and Requirements, Issued February 2006, and Appendix 3 (Undated) addressed to Mayor David Miller from the Minister of Transportation – Letter of Agreement between Her Majesty the Queen in right of the Province of Ontario, represented by the Minister of Transportation for the Province Ontario (the “Ministry”) and the City of Toronto (the “Municipality”) Related to Funding Provided by the Province of Ontario (the “Province”) to the Municipality under the Dedicated Gas Tax Funds for Public Transportation Program (this “Letter of Agreement”) referred to in the report dated March 23, 2006, entitled “Renewal of Provincial Gas Tax Agreement”; and

- Appendix 2 – 2006 Operating Budget-BAC Review Summary, and Appendix 5 – 2006 BAC Recommended Positions referred to in the report dated March 23, 2006, addressed to the Budget Advisory Committee from the City Manager and Deputy City Manager and Chief Financial Officer entitled “City of Toronto 2006 BAC Recommended Tax Supported Operating Budget”.

The Policy and Finance Committee also considered the communications referred to in the communication dated February 27, 2006, from the Audit Committee were forwarded to all Members of Council with the March 27, 2006, agenda of the Policy and Finance Committee and copies thereof are also on file in the office of the City Clerk, City Hall:

- (September 27, 2005) from Vincent Rodo, General Secretary, Toronto Transit Commission;
- (February 6, 2006) from Calvin J. White, Chief Executive Officer, Toronto Zoo;
- (February 21, 2006) from Maurice J. Anderson, President, Toronto Parking Authority;
- (October 25, 2005) from the City Librarian, Toronto Public Library Board; and
- (February 23, 2006) from Dianne Young, General Manager and CEO, Exhibition Place.

The Policy and Finance Committee also considered the following communications which were forwarded to all Members of Council with the March 27, 2006, agenda of the Policy and Finance Committee and copies thereof are also on file in the office of the City Clerk, City Hall:

- (February 2, 2006) from Ian Leventhal, President, Ian Leventhal Creates Inc.;
- (February 14, 2006) confidential communication from the Budget Advisory Committee respecting the 2006 Operating Budget for Toronto Transit Commission (Convention System);
- (March 12, 2006) from the Chief Financial Officer, City of Toronto Economic Development Corporation (TEDCO) entitled “Telecommunication Services Review”; and
- (March 17, 2006) from John Wilson, Chair, Task Force to Bring Back the Don, entitled “City Clerk’s Support for Task Force to Bring Back the Don”; and
- a copy of “Toronto Police Services Board 2006 Operating Budget Detailed Request” appended to Appendix A referred to in the report dated February 6, 2006, entitled “Toronto Police Services Board and Toronto Police Service-Parking Enforcement Unit 2006 Operating Budget Submissions – Note: as at December 15, 2005”.

Communication (February 20, 2006) from the Policy and Finance Committee and the Budget Advisory Committee advising the Committees met jointly on February 16, 2006, to hear speakers on the 2006 Operating Budget:

- Toronto Seniors Forum: Eleanor St. Germaine and Marcelle Campbell and filed a copy of their submission;
- Judith Andrew, Vice-President, Ontario Legislative Affairs, Ontario, Canadian Federation of Independent Business, and filed a copy of her submission;
- Adam Chaleff-Freudenthaler, Toronto Youth Cabinet;
- Glen Grunwald, President and CEO, and Mike Chopowick, The Toronto Board of Trade, and filed a copy of their submission;
- Tasha Kheiriddin, Ontario Director, Canadian Taxpayers Federation, and filed a copy of her submission;
- Bob Rose, Program Director, Parkdale Recreation Centre, and filed a copy of his submission;
- Bob M. Jadavji, Chief Financial Officer, The Royal Agricultural Winter Fair;
- Phil Gillin, Walker Poole Nixon LLP, Barristers and Solicitors, North York City Centre, Counsel for Toronto Office Coalition, and filed a copy of his submission;
- Brad Jones, Chair, Victims Service Provider of Toronto;
- Karin Eaton, Scarborough Arts Council;
- Karl Sprogis, Etobicoke Arts Council;
- Michael Murray, Urban Arts, and provided a DVD presentation;
- Susan Nagi and Gerald Smith, Board of Directors, Lakeshore Arts, and filed a copy of their submission;
- Ann Rohmer, CityTV CP24, on behalf of the Toronto Wildlife Centre;
- Rob Howarth, Coordinator, Toronto Neighbourhood Centres;
- Rob Collins and Sue Bloch-Nevitte, on behalf of The Art Gallery of Ontario, Pride Toronto, The National Ballet of Canada, The Toronto Symphony Orchestra, The Gardiner Museum, The National Ballet School and the Canadian Opera Company;
- Susan Hoenhaus, Queen Victoria Public School Parent Council, and filed a copy of her submission;
- Kelly O'Sullivan, CUPE 4308;
- Alina Chatterjee, Toronto Social Development Network;
- Jane Mercer, Toronto Coalition for Better Child Care;
- Gordon Cummings, York Condominium Corporation No. 266, and filed a copy of his submission;
- Marjolein Winterink, Chair, Davenport Ward Council;
- Nathalie Karvonen, Toronto Wildlife Centre, and filed a copy of her submission;
- Claire Hopkinson, Executive Director, Toronto Arts Council;
- Sherry Francis, Community Development Worker and Jonah Schein, The Stop Community Food Centre;
- Michael Rosenberg, Economics of Technology Working Group, and filed a copy of his submission;
- Alex Fortais, Toronto Wildlife Centre;
- Brad Gates, AAA Wildlife Control;
- Tim Maguire, Vice-President and Chief Steward, CUPE Local 79, and filed a copy of his submission;
- Chalo Barrueta, Banyan Tree Community Initiative;
- Alejandra Bravo; Canadian Hispanic Congress;
- John Cartwright, Toronto and York Region Labour Council;
- Brigitte Nowak;
- Crawford Murphy; Toronto Cycling Committee;

- Hamish Wilson,
- Erwin Szebik, Chair, Dixon Road Recreation Centre, and filed a copy of his submission; and
- Yvonne Bambrick, Pedestrian Sundays in Kensington Market.

The following communications were filed with the Policy and Finance Committee and the Budget Advisory Committee, and copies are on file in the office of the City Clerk:

- (February 16, 2006) from Bruce Melanson, Director, Juno Beach Centre;
- (February 14, 2006) from Martin Koob, Toronto Bicycling Network Representative to the Toronto Cycling Committee;
- (February 16, 2006) from Craig Fortier and Andrea Zammit, Grassroots Youth Collaborative;
- (February 16, 2006) from Joel Hechter; and
- (February 15, 2006) from Sherman Griffith and Zachary Rivera.

The following Members of Council addressed the Policy and Finance Committee:

- Councillor Shelley Carroll, Don Valley East;
- Councillor Janet Davis, Beaches-East York;
- Councillor Paula Fletcher, Toronto-Danforth;
- Councillor Doug Holyday, Etobicoke Centre;
- Councillor Denzil Minnan-Wong, Don Valley East;
- Councillor Jane Pitfield, Don Valley West;
- Councillor Michael Walker, St. Pauls; and
- Councillor Sylvia Watson, Parkdale-High Park.



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET – NET EXPENDITURES
BAC REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget			
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget Incr / (Dcr)
Citizen Centred Services "A"											
Affordable Housing Office	1,393.1	1,441.8	1,421.0	1,421.0	(7.0)	0.0	(7.0)	(27.8)	0.0	1,414.0	20.9
Children's Services	68,123.6	69,447.8	68,667.0	68,667.0	(100.0)	0.0	(100.0)	(100.0)	0.0	68,567.0	443.4
Court Services	(9,034.4)	(8,885.6)	(9,404.0)	(9,404.0)	(140.0)	0.0	(140.0)	(140.0)	(1,818.4)	(9,544.0)	(509.6)
Culture	8,952.0	10,703.6	10,653.6	10,666.1	0.0	0.0	0.0	0.0	1,512.5	10,666.1	1,714.1
Economic Development	7,923.5	8,269.2	8,291.6	8,291.6	(230.0)	(210.0)	(440.0)	(380.6)	0.0	7,851.6	(71.9)
Emergency Medical Services	67,518.3	74,951.3	70,927.4	70,927.4	(10,639.3)	74.6	(10,564.7)	(10,639.3)	74.6	60,362.7	(7,155.6)
Homes for the Aged	32,733.3	34,479.5	33,388.0	33,388.0	(570.0)	0.0	(570.0)	(2,254.2)	0.0	32,818.0	84.7
Parks, Forestry & Recreation	203,508.0	215,657.6	212,107.1	214,209.8	(827.7)	(1,695.9)	(2,523.6)	(3,159.6)	287.8	211,686.2	8,178.2
Shelter Support & Housing Administration	269,922.3	279,548.4	275,330.9	275,330.9	488.0	0.0	488.0	(3,486.5)	0.0	275,818.9	5,886.6
Social Development Finance & Administration	20,342.4	21,024.0	21,662.3	21,662.3	(213.0)	(150.0)	(363.0)	(462.8)	763.1	21,299.3	956.9
Social Services	221,059.8	316,812.9	277,526.3	277,526.3	(100.0)	0.0	(100.0)	(33,314.3)	0.0	277,426.3	56,366.5
Tourism	5,436.6	5,633.9	5,285.6	5,285.6	0.0	(50.0)	(50.0)	(47.3)	150.0	5,235.6	(201.0)
3-1-1 Project Management Office	382.9	616.8	390.6	390.6	(1.5)	0.0	(1.5)	(1.5)	0.0	389.1	6.2
Sub-Total Citizen Centred Services "A"	898,271.4	1,029,701.2	976,247.4	978,362.6	(12,340.5)	(2,031.3)	(14,371.8)	(54,013.9)	969.6	963,990.8	65,719.4
Citizen Centred Services "B"											
Buildings	(11,607.4)	(9,225.6)	(11,375.7)	(11,375.7)	(171.0)	0.0	(171.0)	(2,321.1)	0.0	(11,546.7)	60.7
Business Support Service	9,100.7	9,664.3	9,282.8	9,282.8	(42.2)	0.0	(42.2)	(423.7)	0.0	9,240.6	139.9
City Planning	13,308.4	14,336.3	13,460.4	13,460.4	(145.3)	(120.0)	(265.3)	(1,810.3)	669.1	13,195.1	(113.3)
Clean and Beautiful City Secretariat	326.5	460.7	197.0	343.7	(0.5)	(26.0)	(26.5)	(0.5)	120.8	317.3	(9.3)
Fire Services	302,609.9	312,222.2	306,637.8	308,648.0	(2,566.6)	0.0	(2,566.6)	(6,140.8)	0.0	306,081.4	3,471.5
Municipal Licensing & Standards	4,486.3	5,448.1	4,908.7	4,908.7	(368.0)	0.0	(368.0)	(754.9)	(152.5)	4,540.7	54.4
Solid Waste Management Services	165,288.3	182,884.4	173,655.6	174,320.6	1,185.0	(665.0)	520.0	(2,911.9)	0.0	174,840.6	9,552.2
Transportation Services	183,733.0	191,434.3	189,765.4	190,265.4	(1,246.6)	(1,369.6)	(2,616.3)	(3,376.0)	(733.2)	187,649.1	3,916.1
Waterfront Secretariat	709.5	749.1	828.8	828.8	(2.0)	0.0	(2.0)	(27.3)	105.0	826.8	117.3
WES - Technical Services	4,386.1	6,511.6	5,151.6	5,151.6	(118.4)	(136.6)	(255.0)	(300.0)	(750.0)	4,896.6	510.5
Sub-Total Citizen Centred Services "B"	672,341.3	714,485.4	692,512.4	695,834.3	(3,475.6)	(2,317.2)	(5,792.8)	(18,066.5)	(740.9)	690,041.4	17,700.1
Internal Services											
Office of the DCM and Chief Financial Officer	13,197.4	14,096.3	13,461.3	13,461.3	(22.4)	0.0	(22.4)	(657.4)	0.0	13,438.9	241.5
Office of the Treasurer	30,325.5	31,957.9	30,932.0	30,932.0	(69.7)	0.0	(69.7)	(1,095.6)	0.0	30,862.3	536.8
Corporate Communications	6,816.1	7,174.2	7,077.4	7,077.4	(9.1)	(125.0)	(134.1)	(73.2)	0.0	6,943.3	127.2
Facilities & Real Estate	51,241.6	52,195.6	52,108.9	52,108.9	(215.9)	0.0	(215.9)	(215.9)	0.0	51,893.0	651.4
Fleet Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Information & Technology	41,735.2	44,099.0	43,221.0	43,221.0	(698.4)	0.0	(698.4)	(1,663.4)	87.0	42,522.6	767.4
Sub-Total Internal Services	143,315.9	149,523.1	146,800.7	146,800.7	(1,015.5)	(125.0)	(1,140.5)	(3,705.5)	87.0	145,660.2	2,344.3
City Manager											
City Manager's Office	5,894.8	6,337.3	6,010.6	6,010.6	(9.4)	0.0	(9.4)	(336.1)	0.0	6,001.2	106.4
Human Resources	26,377.7	28,290.1	27,848.1	27,848.1	(38.1)	0.0	(38.1)	(495.1)	15.0	27,810.0	1,432.3
Sub-Total City Manager	32,272.5	34,627.4	33,858.7	33,858.7	(47.5)	0.0	(47.5)	(831.2)	15.0	33,811.2	1,538.7

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET -- NET EXPENDITURES
BAC REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget					
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget		
											Incr / (Dcr)	%	
Other City Programs													
City Clerk's Office	19,907.2	21,851.9	28,991.2	29,060.5	(36.8)	(69.3)	(106.1)	(255.2)	0.0	28,954.4	9,047.2	45.4%	
Legal Services	18,017.2	19,300.9	18,537.0	18,537.0	(213.7)	0.0	(213.7)	(442.6)	0.0	18,323.3	306.1	1.7%	
Auditor General's Office	3,566.4	3,827.0	4,080.7	4,080.7	(10.0)	(190.3)	(200.3)	(10.0)	63.4	3,880.4	314.0	8.8%	
Office of the Mayor	1,855.8	1,892.9	1,892.9	1,892.9	(4.7)	0.0	(4.7)	(4.7)	0.0	1,888.2	32.4	1.7%	
Council	18,514.5	18,884.8	18,884.8	18,884.8	(93.7)	0.0	(93.7)	(93.7)	0.0	18,791.1	276.6	1.5%	
Sub-Total Other City Programs	61,861.0	65,757.4	72,386.5	72,455.8	(358.9)	(259.6)	(618.5)	(806.2)	63.4	71,837.3	9,976.3	16.1%	
TOTAL - CITY OPERATIONS	1,808,062.1	1,994,074.4	1,921,805.6	1,927,312.0	(17,238.0)	(4,733.1)	(21,971.1)	(77,423.3)	394.1	1,905,340.8	97,276.8	5.4%	
Agencies, Boards and Commissions													
Toronto Public Health	70,754.1	59,486.7	64,060.9	64,060.9	(135.0)	0.0	(135.0)	(135.0)	4,331.7	63,925.9	(6,828.2)	(9.7%)	
Toronto Public Library	140,448.6	145,385.4	145,026.4	145,026.4	(335.3)	0.0	(335.3)	(335.3)	0.0	144,691.1	4,242.5	3.0%	
Association of Community Centers	5,726.0	5,834.2	5,834.2	5,834.2	0.0	15.0	15.0	0.0	15.0	5,849.2	123.2	2.2%	
Exhibition Place	189.8	721.0	435.2	435.2	(100.0)	0.0	(100.0)	(200.0)	(185.8)	335.2	145.4	76.6%	
Heritage Toronto	307.9	355.5	355.5	355.5	(16.3)	0.0	(16.3)	(16.3)	0.0	339.3	31.4	10.2%	
Theatres	2,867.5	4,288.5	3,059.8	3,059.8	(192.9)	0.0	(192.9)	(192.9)	265.1	2,866.9	(0.6)	(0.0%)	
Toronto Zoo	11,565.5	12,609.0	11,791.1	11,791.1	(100.0)	0.0	(100.0)	(888.0)	(6.0)	11,691.1	125.6	1.1%	
Arena Boards of Management	261.5	110.5	119.9	119.9	0.0	0.0	0.0	0.0	0.0	119.9	(141.6)	(54.2%)	
Yonge/Dundas Square	571.2	582.6	582.6	582.6	0.0	0.0	0.0	0.0	0.0	582.6	11.4	2.0%	
Toronto & Region Conservation Authority	3,015.4	3,329.5	3,075.7	3,075.7	(65.9)	0.0	(65.9)	(319.7)	0.0	3,009.8	(5.6)	(0.2%)	
Toronto Transit Commission - Conventional	228,480.0	305,674.9	299,233.9	299,233.9	(52,927.4)	0.0	(52,927.4)	(52,927.4)	0.0	246,306.5	17,826.5	7.6%	
Toronto Transit Commission - Wheel-Trans	53,735.5	60,698.3	60,698.3	60,698.3	(730.0)	0.0	(730.0)	(730.0)	0.0	59,968.3	6,232.8	11.6%	
Toronto Police Service	716,103.2	753,783.2	753,783.2	753,783.2	(1,500.0)	0.0	(1,500.0)	(1,700.0)	2,834.5	751,638.7	35,535.5	5.0%	
Toronto Police Services Board	1,296.7	1,743.5	1,853.5	1,853.5	(1.9)	(67.0)	(68.9)	(1.9)	43.0	1,784.6	487.9	37.6%	
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,235,922.9	1,354,602.8	1,349,265.7	1,349,265.7	(56,104.6)	(52.0)	(56,156.6)	(57,529.9)	7,297.5	1,293,109.0	57,786.2	4.7%	
Corporate Accounts													
Community Partnership and Investment Program	38,862.1	39,111.8	39,180.9	40,701.9	0.0	(527.0)	(527.0)	0.0	1,063.1	40,174.9	1,312.8	3.4%	
Capital & Corporate Financing	432,464.7	496,546.8	496,546.8	496,546.8	(20,000.0)	0.0	(20,000.0)	(20,000.0)	0.0	476,546.8	44,082.1	10.2%	
Non-Program Expenditures													
- Tax Deficiencies Write-offs	92,608.6	87,000.0	87,000.0	87,000.0	0.0	0.0	0.0	0.0	0.0	87,000.0	(5,608.6)	(6.1%)	
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	32,200.0	0.0	0.0	0.0	0.0	0.0	32,200.0	1,000.0	3.2%	
- Temporary Borrowing	400.0	400.0	400.0	400.0	0.0	0.0	0.0	0.0	0.0	400.0	0.0	0.0%	
- Funding of Employee Related Liabilities	35,487.6	50,487.6	50,487.6	50,487.6	(15,000.0)	0.0	(15,000.0)	(15,000.0)	0.0	35,487.6	0.0	0.0%	
- Programs Funded from Reserve Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	
- Other Corporate Expenditures	22,347.5	39,797.4	39,797.4	39,797.4	0.0	0.0	0.0	0.0	0.0	39,797.4	17,449.9	78.1%	
- Insurance Premiums & Claims	300.0	5,300.0	5,300.0	5,300.0	(2,000.0)	0.0	(2,000.0)	(2,000.0)	0.0	3,300.0	3,000.0	1000.0%	
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,967.8	42,967.8	(365.0)	0.0	(365.0)	(365.0)	0.0	42,602.8	793.5	1.9%	
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	16,500.0	0.0	0.0	0.0	0.0	0.0	16,500.0	2,500.0	17.9%	
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	0.0	0.0	0.0	0.0	0.0	1,017.6	1,017.6	n/a	
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4,200.0)	(100.0%)	
- Non-Program Expenditures	242,353.0	275,670.4	275,670.4	275,670.4	(17,365.0)	0.0	(17,365.0)	(17,365.0)	0.0	258,305.4	15,952.4	6.6%	

Appendix 2



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET – NET EXPENDITURES
BAC REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget				
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget	
											Incr / (Dcr)	%
Non-Program Revenues - Payments in Lieu of Taxes - Supplementary Taxes - Tax Penalties - Interest/Investment Earnings - Other Corporate Revenues - Toronto Hydro Revenues - Provincial Revenue - Parking Authority Revenues - Administrative Support Recoveries - Water - Administrative Support Recoveries - Health & EMS - Parking Tag Enforcement & Oper. - Other Tax Revenues - Woodbine Slots	(83,929.9)	(83,929.9)	(83,929.9)	(83,929.9)	0.0	0.0	0.0	0.0	0.0	(83,929.9)	0.0	0.0%
	(37,000.0)	(37,000.0)	(37,000.0)	(37,000.0)	0.0	0.0	0.0	0.0	0.0	(37,000.0)	0.0	0.0%
	(26,500.0)	(26,500.0)	(26,500.0)	(26,500.0)	1,000.0	0.0	1,000.0	1,000.0	0.0	(25,500.0)	1,000.0	(3.8%)
	(62,000.0)	(62,000.0)	(62,000.0)	(62,000.0)	0.0	0.0	0.0	0.0	0.0	(62,000.0)	0.0	0.0%
	(23,178.6)	(2,410.4)	(9,768.1)	(9,768.1)	(112,862.0)	0.0	(112,862.0)	(112,862.0)	0.0	(122,630.1)	(99,451.5)	429.1%
	(195,055.7)	(91,655.7)	(91,655.7)	(91,655.7)	(21,000.0)	0.0	(21,000.0)	(21,000.0)	0.0	(112,655.7)	82,400.0	(42.2%)
	(136,600.0)	(91,600.0)	(91,600.0)	(91,600.0)	(135,000.0)	0.0	(135,000.0)	(135,000.0)	0.0	(226,600.0)	(90,000.0)	65.9%
	(27,295.4)	(25,332.2)	(25,332.2)	(25,332.2)	(37.5)	0.0	(37.5)	(37.5)	0.0	(25,369.7)	1,925.7	(7.1%)
	(18,973.0)	(18,973.0)	(18,973.0)	(18,973.0)	0.0	0.0	0.0	0.0	0.0	(18,973.0)	0.0	0.0%
	(17,302.0)	(17,302.0)	(17,302.0)	(17,302.0)	0.0	0.0	0.0	0.0	0.0	(17,302.0)	0.0	0.0%
	(82,787.0)	(75,000.0)	(75,000.0)	(75,000.0)	(5,000.0)	0.0	(5,000.0)	(5,000.0)	0.0	(80,000.0)	2,787.0	(3.4%)
	(14,260.1)	(15,000.0)	(15,000.0)	(15,000.0)	(688.3)	0.0	(688.3)	(688.3)	0.0	(15,688.3)	(1,428.2)	10.0%
	(15,700.0)	(14,000.0)	(14,000.0)	(14,000.0)	0.0	0.0	0.0	0.0	0.0	(14,000.0)	1,700.0	(10.8%)
	(740,581.7)	(560,703.2)	(568,060.9)	(568,060.9)	(273,587.8)	0.0	(273,587.8)	(273,587.8)	0.0	(841,648.7)	(101,067.0)	13.6%
TOTAL - CORPORATE ACCOUNTS	(26,901.9)	250,625.8	243,337.2	244,856.2	(310,952.8)	(527.0)	(311,479.8)	(310,952.8)	1,063.1	(66,621.6)	(39,719.7)	147.6%
TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH	3,016,483.0	3,599,303.0	3,514,408.5	3,521,435.9	(384,295.5)	(5,312.1)	(389,607.6)	(445,906.1)	8,754.7	3,131,828.3	115,345.3	3.8%
Assessment Growth - 2006	0.0	(10,000.0)	(10,000.0)	(10,000.0)	(49,761.3)	0.0	0.0	(49,761.3)	0.0	(59,761.3)	(59,761.3)	n/a
TOTAL OPERATING BUDGET (NET EXPENDITURES)	3,016,483.0	3,589,303.0	3,504,408.5	3,511,435.9	(434,056.8)	(5,312.1)	(389,607.6)	(495,667.4)	8,754.7	3,072,067.0	55,584.0	1.8%
NON LEVY OPERATIONS												
Parking Authority	(42,887.2)	(40,333.1)	(40,333.1)	(40,333.1)	(50.0)	0.0	(50.0)	(50.0)	0.0	(40,383.1)	2,504.1	(5.8%)
Wastewater Services	0.0	(3,412.0)	(3,412.0)	(3,412.0)	0.0	0.0	0.0	0.0	0.0	(3,412.0)	(3,412.0)	n/a
Water Services	0.0	27,813.3	27,813.3	27,813.3	0.0	0.0	0.0	0.0	0.0	27,813.3	27,813.3	n/a
TOTAL NON LEVY OPERATING BUDGET	(42,887.2)	(15,931.8)	(15,931.8)	(15,931.8)	(50.0)	0.0	(50.0)	(50.0)	0.0	(15,981.8)	26,905.4	(62.7%)

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET – GROSS EXPENDITURES
BAC REVIEW SUMMARY



(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget					
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget		
											(Dcr)	%	
Citizen Centred Services "A"	2,826.7	3,041.8	3,021.0	3,021.0	(7.0)	0.0	(7.0)	(27.8)	0.0	3,014.0	187.3	6.6%	
	332,235.7	321,221.8	415,589.0	415,589.0	(100.0)	0.0	(100.0)	(100.0)	95,608.8	415,489.0	83,253.3	25.1%	
	29,428.5	32,555.3	32,555.3	32,555.3	(140.0)	0.0	(140.0)	(140.0)	1,700.0	32,415.3	2,986.8	10.1%	
	12,618.2	15,909.8	15,859.8	15,884.8	(2.0)	35.0	33.0	(2.0)	3,310.0	15,917.8	3,299.6	26.1%	
	9,898.4	10,251.1	10,310.5	10,310.5	(230.0)	(210.0)	(440.0)	(380.6)	0.0	9,870.5	(27.9)	(0.3%)	
	135,089.1	145,417.3	142,593.4	142,593.4	(300.0)	90.7	(209.3)	(300.0)	90.7	142,384.1	7,295.0	5.4%	
	179,992.1	186,820.9	186,741.3	186,741.3	(570.0)	0.0	(570.0)	(1,242.3)	0.0	186,171.3	6,179.2	3.4%	
	276,580.5	287,580.1	284,014.3	285,952.8	(525.7)	(1,793.7)	(2,309.4)	(3,109.6)	287.8	283,643.4	7,062.9	2.6%	
	674,817.5	663,954.8	666,369.6	667,941.6	488.0	50.0	538.0	488.0	4,036.8	668,479.6	(6,337.9)	(0.9%)	
	30,432.9	30,450.4	33,046.4	33,170.8	(213.0)	(150.0)	(363.0)	(462.8)	2,845.2	32,807.8	2,374.9	7.8%	
	972,119.2	1,035,382.8	1,036,571.8	1,036,571.8	(100.0)	0.0	(100.0)	(100.0)	3,000.0	1,036,471.8	64,352.6	6.6%	
	9,308.5	9,375.8	9,027.5	9,027.5	0.0	(50.0)	(50.0)	(47.3)	150.0	8,977.5	(331.0)	(3.6%)	
	382.9	616.8	616.8	616.8	(1.5)	0.0	(1.5)	(1.5)	0.0	615.3	232.4	60.7%	
	Sub-Total Citizen Centred Services "A"	2,685,730.2	2,742,578.7	2,836,316.7	2,839,976.6	(1,701.2)	(2,018.0)	(3,719.2)	(5,425.9)	111,029.3	2,836,257.4	170,527.2	6.4%
	Citizen Centred Services "B"	36,665.3	39,047.0	39,447.0	39,447.0	(171.0)	0.0	(171.0)	(171.0)	400.0	39,276.0	2,610.8	7.1%
		9,787.5	9,875.4	10,618.9	10,618.9	(42.2)	(236.0)	(278.2)	(423.7)	889.0	10,340.7	553.2	5.7%
		29,926.3	31,409.8	32,163.9	32,163.9	(145.3)	(80.0)	(225.3)	(180.3)	709.1	31,938.6	2,012.3	6.7%
326.5		460.7	197.0	343.7	(0.5)	(26.0)	(26.5)	(0.5)	120.8	317.3	(9.3)	(2.8%)	
309,064.5		318,026.8	314,565.3	314,452.6	(243.7)	0.0	(243.7)	(3,817.9)	0.0	314,208.9	5,144.4	1.7%	
27,387.1		29,328.9	29,189.5	29,189.5	(368.0)	0.0	(368.0)	(754.9)	247.5	28,821.5	1,434.4	5.2%	
225,219.5		235,485.6	227,091.5	230,546.5	2,985.0	(3,455.0)	(470.0)	888.1	0.0	230,076.5	4,856.9	2.2%	
277,507.7		287,168.0	287,237.1	287,737.1	(1,246.6)	(969.6)	(2,216.3)	(3,718.7)	1,747.5	285,520.8	8,013.1	2.9%	
829.5		869.1	995.5	995.5	(2.0)	0.0	(2.0)	(27.3)	151.7	993.5	164.0	19.8%	
55,487.9		61,449.1	60,840.4	60,840.4	(75.5)	(179.5)	(255.0)	(1,005.0)	0.0	60,585.4	5,097.5	9.2%	
972,201.7		1,013,120.4	1,002,346.1	1,006,335.1	690.2	(4,946.1)	(4,255.9)	(9,211.2)	4,265.5	1,002,079.1	29,877.4	3.1%	
Internal Services		16,687.7	17,557.1	16,908.1	16,908.1	(22.4)	0.0	(22.4)	(671.4)	0.0	16,885.7	198.0	1.2%
		60,452.2	62,943.8	63,212.0	63,212.0	(59.7)	0.0	(59.7)	(509.6)	1,102.6	63,152.3	2,700.1	4.5%
		6,873.1	7,231.2	7,198.5	7,198.5	(9.1)	0.0	(9.1)	(9.1)	125.0	7,189.4	316.3	4.6%
		111,602.6	117,160.3	116,580.3	116,580.3	(101.9)	0.0	(101.9)	(101.9)	0.0	116,478.4	4,875.8	4.4%
		34,001.1	34,720.3	34,720.3	34,720.3	(22.8)	0.0	(22.8)	(22.8)	0.0	34,697.5	696.4	2.0%
		52,162.0	51,209.7	51,806.9	51,806.9	(698.4)	0.0	(698.4)	(1,313.4)	1,212.2	51,108.5	(1,053.5)	(2.0%)
	281,778.8	290,822.5	290,426.2	290,426.2	(914.3)	0.0	(914.3)	(2,628.2)	2,439.8	289,511.9	7,733.1	2.7%	
City Manager													
	6,189.8	6,648.8	6,542.1	6,542.1	(9.4)	0.0	(9.4)	(336.1)	220.0	6,532.7	342.9	5.5%	
	28,188.5	30,124.9	29,682.9	29,682.9	(38.1)	0.0	(38.1)	(495.1)	15.0	29,644.8	1,456.3	5.2%	
Sub-Total City Manager	34,378.3	36,773.7	36,225.0	36,225.0	(47.5)	0.0	(47.5)	(831.2)	235.0	36,177.5	1,799.2	5.2%	

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET – GROSS EXPENDITURES
BAC REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget			Change from 2005 Approved Budget (Dcr)	%
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget		
Other City Programs												
City Clerk's Office	40,838.2	47,260.5	47,042.1	47,111.4	(36.8)	(69.3)	(106.1)	(255.2)	0.0	47,005.3	6,167.1	15.1%
Legal Services	25,963.5	28,355.0	28,563.1	28,563.1	21.6	0.0	21.6	(207.3)	437.0	28,584.7	2,621.2	10.1%
Auditor General's Office	3,566.4	3,827.0	4,080.7	4,080.7	(10.0)	(190.3)	(200.3)	(10.0)	63.4	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,892.9	1,892.9	(4.7)	0.0	(4.7)	(4.7)	0.0	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,884.8	18,884.8	(93.7)	0.0	(93.7)	(93.7)	0.0	18,791.1	276.6	1.5%
Sub-Total Other City Programs	90,738.3	100,220.1	100,463.5	100,532.8	(123.6)	(259.6)	(383.2)	(570.9)	500.4	100,149.6	9,411.3	10.4%
TOTAL - CITY OPERATIONS	4,044,827.3	4,183,515.3	4,265,777.4	4,273,495.6	(2,096.4)	(7,223.7)	(9,320.1)	(18,667.4)	118,470.0	4,264,175.5	219,348.2	5.4%
Agencies, Boards and Commissions												
Toronto Public Health	193,933.7	197,475.5	211,478.8	211,478.8	(385.7)	(600.3)	(986.0)	(385.7)	13,027.7	210,492.8	16,559.1	8.5%
Toronto Public Library	154,879.6	158,664.0	158,664.0	158,664.0	(335.3)	0.0	(335.3)	(335.3)	0.0	158,328.7	3,449.1	2.2%
Association of Community Centers	5,951.3	5,993.6	5,993.6	5,993.6	0.0	15.0	15.0	0.0	15.0	6,008.6	57.3	1.0%
Exhibition Place	46,383.8	45,483.5	47,611.9	47,611.9	(100.0)	0.0	(100.0)	(175.0)	2,203.4	47,511.9	1,128.1	2.4%
Heritage Toronto	519.0	566.6	686.6	686.6	(16.3)	0.0	(16.3)	(16.3)	120.0	670.4	151.4	29.2%
Theatres	19,879.5	18,952.4	29,493.1	29,493.1	305.0	0.0	305.0	221.8	285.1	29,798.1	9,918.6	49.9%
Toronto Zoo	35,360.8	36,795.1	37,444.1	37,444.1	0.0	0.0	0.0	35.0	614.0	37,444.1	2,083.3	5.9%
Arena Boards of Management	5,490.1	5,664.8	5,674.2	5,674.2	0.0	0.0	0.0	0.0	0.0	5,674.2	184.1	3.4%
Yonge/Dundas Square	1,008.2	1,033.0	1,072.4	1,072.4	0.0	0.0	0.0	0.0	39.4	1,072.4	64.2	6.4%
Toronto & Region Conservation Authority	30,048.3	34,120.2	34,045.2	34,045.2	(65.9)	0.0	(65.9)	(140.9)	0.0	33,979.3	3,831.0	13.1%
Toronto Transit Commission - Conventional	970,666.2	1,068,536.3	1,062,095.3	1,062,095.3	(24,103.4)	0.0	(24,103.4)	(24,103.4)	0.0	1,037,991.9	67,325.7	6.9%
Toronto Transit Commission - Wheel-Trans	56,545.9	63,739.1	63,739.1	63,739.1	(730.0)	0.0	(730.0)	(730.0)	0.0	63,009.1	6,463.2	11.4%
Toronto Police Service	748,691.0	786,014.9	789,970.4	789,970.4	0.0	6,200.0	6,200.0	0.0	13,434.5	796,170.4	47,479.4	6.3%
Toronto Police Services Board	1,296.7	1,743.5	1,853.5	1,853.5	(1.9)	(67.0)	(68.9)	(1.9)	43.0	1,784.6	487.9	37.6%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	2,270,654.1	2,425,072.5	2,449,822.2	2,449,822.2	(25,433.4)	5,547.7	(19,885.7)	(25,631.6)	29,762.1	2,429,936.4	159,282.4	7.0%
Corporate Accounts												
Community Partnership and Investment Program	44,157.3	44,107.0	44,353.9	45,874.9	0.0	(517.0)	(517.0)	0.0	1,250.9	45,357.9	1,200.6	2.7%
Capital & Corporate Financing	455,964.7	501,477.8	501,477.8	501,477.8	(20,000.0)	0.0	(20,000.0)	(20,000.0)	0.0	481,477.8	25,513.1	5.6%
Non-Program Expenditures												
- Tax Deficiencies Write-offs	95,171.0	87,000.0	87,000.0	87,000.0	0.0	0.0	0.0	0.0	0.0	87,000.0	(8,171.0)	(8.6%)
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	32,200.0	0.0	0.0	0.0	0.0	0.0	32,200.0	1,000.0	3.2%
- Temporary Borrowing	400.0	400.0	400.0	400.0	0.0	0.0	0.0	0.0	0.0	400.0	0.0	0.0%
- Funding of Employee Related Liabilities	35,487.6	50,487.6	50,487.6	50,487.6	(15,000.0)	0.0	(15,000.0)	(15,000.0)	0.0	35,487.6	0.0	0.0%
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	101,066.6	0.0	0.0	0.0	0.0	0.0	101,066.6	30,391.0	43.0%
- Other Corporate Expenditures	26,164.5	42,205.4	42,205.4	42,205.4	0.0	0.0	0.0	0.0	0.0	42,205.4	16,040.9	61.3%
- Insurance Premiums & Claims	300.0	5,300.0	5,300.0	5,300.0	(2,000.0)	0.0	(2,000.0)	(2,000.0)	0.0	3,300.0	3,000.0	100.0%
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,967.8	42,967.8	(365.0)	0.0	(365.0)	(365.0)	0.0	42,602.8	793.5	1.9%
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	16,500.0	0.0	0.0	0.0	0.0	0.0	16,500.0	2,500.0	17.9%
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	0.0	0.0	0.0	0.0	0.0	1,017.6	1,017.6	n/a
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4,200.0)	(100.0%)
Non-Program Expenditures	319,408.0	379,145.0	379,145.0	379,145.0	(17,365.0)	0.0	(17,365.0)	(17,365.0)	0.0	361,780.0	42,372.0	13.3%

Appendix 2

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET -- GROSS EXPENDITURES
BAC REVIEW SUMMARY



(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget			Change from 2005 Approved Budget (Dcr) %
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	
TOTAL OPERATING BUDGET (GROSS EXPENDITURES)	7,135,011.4	7,533,317.6	7,640,576.3	7,649,815.5	(64,894.9)	(2,193.0)	(67,087.9)	(81,664.1)	149,483.0	7,582,727.6	447,716.2 6.3%
NON LEVY OPERATIONS											
Parking Authority	54,281.8	54,801.4	54,801.4	54,801.4	0.0	0.0	0.0	0.0	0.0	54,801.4	519.6 1.0%
Wastewater Services	317,557.6	314,145.6	314,145.6	314,145.6	0.0	0.0	0.0	0.0	0.0	314,145.6	(3,412.0) (1.1%)
Water Services	268,492.7	296,306.0	296,306.0	296,306.0	0.0	0.0	0.0	0.0	0.0	296,306.0	27,813.3 10.4%
TOTAL NON LEVY OPERATING BUDGET	640,332.1	665,253.0	665,253.0	665,253.0	0.0	0.0	0.0	0.0	0.0	665,253.0	24,920.9 3.9%

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET -- REVENUES
BAC REVIEW SUMMARY



(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget			
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget Incr / (Dcr) %
Citizen Centred Services "A"											
Affordable Housing Office	1,433.6	1,800.0	1,800.0	1,800.0	0.0	0.0	0.0	0.0	0.0	1,800.0	166.4 11.6%
Children's Services	264,112.1	251,774.0	346,922.0	346,922.0	0.0	0.0	0.0	0.0	95,608.8	346,922.0	82,809.9 31.4%
Court Services	38,462.9	41,440.9	41,959.3	41,959.3	0.0	0.0	0.0	0.0	3,518.4	41,959.3	3,496.4 9.1%
Culture	3,666.2	5,206.2	5,218.7	5,218.7	(2.0)	35.0	33.0	(2.0)	1,797.5	5,251.7	1,585.5 43.2%
Economic Development	1,974.9	1,981.9	2,018.9	2,018.9	0.0	0.0	0.0	0.0	0.0	2,018.9	44.0 2.2%
Emergency Medical Services	67,570.8	70,466.0	71,666.0	71,666.0	10,339.3	16.1	10,355.4	10,339.3	16.1	82,021.4	14,450.6 21.4%
Homes for the Aged	147,259.8	152,341.4	153,353.3	153,353.3	0.0	0.0	0.0	1,011.9	0.0	153,353.3	6,094.5 4.1%
Parks, Forestry & Recreation	73,072.5	71,922.5	71,907.2	71,743.0	302.0	(87.8)	214.2	50.0	0.0	71,957.2	(1,115.3) (1.5%)
Shelter Support & Housing Administration	404,885.2	384,406.4	391,038.7	392,610.7	0.0	50.0	50.0	3,974.5	4,036.8	392,660.7	(12,224.5) (3.0%)
Social Development Finance & Administration	10,090.5	9,426.4	11,384.1	11,508.5	0.0	0.0	0.0	0.0	2,082.1	11,508.5	1,418.0 14.1%
Social Services	751,059.4	718,569.9	759,045.5	759,045.5	0.0	0.0	0.0	33,214.3	3,000.0	759,045.5	7,986.1 1.1%
Tourism	3,871.9	3,741.9	3,741.9	3,741.9	0.0	0.0	0.0	0.0	0.0	3,741.9	(130.0) (3.4%)
3-1-1 Project Management Office	0.0	0.0	226.2	226.2	0.0	0.0	0.0	0.0	0.0	226.2	226.2 n/a
Sub-Total Citizen Centred Services "A"	1,767,458.8	1,712,877.5	1,860,069.3	1,861,614.0	10,639.3	13.3	10,652.6	48,588.0	110,059.7	1,872,266.6	104,807.8 5.9%
Citizen Centred Services "B"											
Buildings	48,272.6	48,272.6	50,822.7	50,822.7	0.0	0.0	0.0	2,150.1	400.0	50,822.7	2,550.1 5.3%
Business Support Service	688.8	211.1	1,336.1	1,336.1	0.0	(236.0)	(236.0)	0.0	899.0	1,100.1	413.3 60.2%
City Planning	16,617.9	17,073.5	18,703.5	18,703.5	0.0	40.0	40.0	1,630.0	40.0	18,743.5	2,125.6 12.8%
Clean and Beautiful City Secretariat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 n/a
Fire Services	6,454.6	5,804.6	7,927.5	5,804.6	2,322.9	0.0	2,322.9	2,322.9	0.0	8,127.5	1,672.9 25.9%
Municipal Licensing & Standards	22,900.8	23,880.8	24,280.8	24,280.8	0.0	0.0	0.0	0.0	400.0	24,280.8	1,380.0 6.0%
Solid Waste Management Services	59,931.2	52,621.2	53,435.9	56,225.9	1,800.0	(2,790.0)	(990.0)	3,800.0	0.0	55,235.9	(4,695.3) (7.8%)
Transportation Services	93,774.7	95,733.7	97,471.7	97,471.7	0.0	400.0	400.0	(342.7)	2,480.7	97,871.7	4,097.0 4.4%
Waterfront Secretariat	120.0	120.0	166.7	166.7	0.0	0.0	0.0	0.0	46.7	166.7	46.7 38.9%
WES - Technical Services	51,101.8	54,937.5	55,688.8	55,688.8	42.9	(42.9)	0.0	(705.0)	750.0	55,688.8	4,587.0 9.0%
Sub-Total Citizen Centred Services "B"	298,860.4	298,655.0	309,833.7	310,500.8	4,165.8	(2,628.9)	1,536.9	8,855.3	5,006.4	312,037.7	12,177.3 4.1%
Internal Services											
Office of the DCM and Chief Financial Officer											
Office of the Treasurer	3,490.3	3,460.8	3,446.8	3,446.8	0.0	0.0	0.0	(14.0)	0.0	3,446.8	(43.5) (1.2%)
Corporate Communications	30,126.7	30,985.9	32,280.0	32,280.0	10.0	0.0	10.0	586.0	1,102.6	32,290.0	2,163.3 7.2%
Facilities & Real Estate	57.0	57.0	121.1	121.1	0.0	125.0	125.0	64.1	125.0	246.1	189.1 331.8%
Fleet Services	60,361.0	64,964.7	64,471.4	64,471.4	114.0	0.0	114.0	114.0	0.0	64,585.4	4,224.4 7.0%
Information & Technology	34,001.1	34,720.3	34,720.3	34,720.3	(22.8)	0.0	(22.8)	(22.8)	0.0	34,697.5	696.4 2.0%
Sub-Total Internal Services	138,462.9	141,299.4	143,625.5	143,625.5	101.2	125.0	226.2	350.0	1,125.2	143,851.7	(1,840.9) (1.7%)
City Manager								1,077.3	2,352.8	143,851.7	5,388.8 3.9%
City Manager's Office											
Human Resources	295.0	311.5	531.5	531.5	0.0	0.0	0.0	0.0	220.0	531.5	236.5 80.2%
Sub-Total City Manager	1,810.8	1,834.8	1,834.8	1,834.8	0.0	0.0	0.0	0.0	0.0	1,834.8	24.0 1.3%
	2,105.8	2,146.3	2,366.3	2,366.3	0.0	0.0	0.0	0.0	220.0	2,366.3	260.5 12.4%



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET -- REVENUES
BAC REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget				Change from 2005 Approved Budget Incr / (Dcr) %
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget		
Other City Programs												
City Clerk's Office	20,931.0	25,408.6	18,050.9	18,050.9	0.0	0.0	0.0	0.0	0.0	18,050.9	(2,880.1)	(13.8%)
Legal Services	7,946.3	9,054.1	10,026.1	10,026.1	235.3	0.0	235.3	235.3	437.0	10,261.4	2,315.1	29.1%
Auditor General's Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Office of the Mayor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Sub-Total Other City Programs	28,877.3	34,462.7	28,077.0	28,077.0	235.3	0.0	235.3	235.3	437.0	28,312.3	(565.0)	(2.0%)
TOTAL - CITY OPERATIONS	2,236,765.2	2,189,440.9	2,343,971.8	2,346,183.6	15,141.6	(2,490.6)	12,651.0	58,755.9	118,075.9	2,358,834.6	122,069.4	5.5%
Agencies, Boards and Commissions												
Toronto Public Health	123,179.6	137,988.8	147,417.9	147,417.9	(250.7)	(600.3)	(851.0)	(250.7)	8,696.0	146,566.9	23,387.3	19.0%
Toronto Public Library	14,431.0	13,568.6	13,637.6	13,637.6	0.0	0.0	0.0	0.0	0.0	13,637.6	(793.4)	(5.5%)
Association of Community Centers	225.3	159.4	159.4	159.4	0.0	0.0	0.0	0.0	0.0	159.4	(65.9)	(29.2%)
Exhibition Place	46,194.0	44,762.5	47,176.7	47,176.7	0.0	0.0	0.0	25.0	2,389.2	47,176.7	982.7	2.1%
Heritage Toronto	211.1	211.1	331.1	331.1	0.0	0.0	0.0	0.0	120.0	331.1	120.0	56.8%
Theatres	17,012.0	14,663.9	26,433.3	26,433.3	497.9	0.0	497.9	498.2	0.0	26,931.2	9,919.2	58.3%
Toronto Zoo	23,795.3	24,186.1	25,653.0	25,653.0	100.0	0.0	100.0	923.0	620.0	25,753.0	1,957.7	8.2%
Arena Boards of Management	5,228.6	5,554.3	5,554.3	5,554.3	0.0	0.0	0.0	0.0	0.0	5,554.3	325.7	6.2%
Yonge/Dundas Square	437.0	450.4	489.8	489.8	0.0	0.0	0.0	0.0	39.4	489.8	52.8	12.1%
Toronto & Region Conservation Authority	27,032.9	30,790.7	30,969.5	30,969.5	0.0	0.0	0.0	178.8	0.0	30,969.5	3,936.6	14.6%
Toronto Transit Commission - Conventional	742,186.2	762,861.4	762,861.4	762,861.4	28,824.0	0.0	28,824.0	28,824.0	0.0	791,685.4	49,499.2	6.7%
Toronto Transit Commission - Wheel-Trans	2,810.4	3,040.8	3,040.8	3,040.8	0.0	0.0	0.0	0.0	0.0	3,040.8	230.4	8.2%
Toronto Police Service	32,587.8	32,231.7	36,831.7	36,831.7	1,500.0	6,200.0	7,700.0	1,700.0	10,600.0	44,531.7	11,943.9	36.7%
Toronto Police Services Board	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,035,331.2	1,070,469.7	1,100,556.5	1,100,556.5	30,671.2	5,598.7	36,270.9	31,898.3	22,464.6	1,136,827.4	101,496.2	9.8%
Corporate Accounts												
Community Partnership and Investment Program	5,295.2	4,995.2	5,173.0	5,173.0	0.0	10.0	10.0	0.0	187.8	5,183.0	(112.2)	(2.1%)
Capital & Corporate Financing	23,500.0	4,931.0	4,931.0	4,931.0	0.0	0.0	0.0	0.0	0.0	4,931.0	(18,569.0)	(79.0%)
Non-Program Expenditures												
- Tax Deficiencies/Write-offs	2,562.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2,562.4)	(100.0%)
- Funding of Employee Related Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	101,066.6	0.0	0.0	0.0	0.0	0.0	101,066.6	30,391.0	43.0%
- Other Corporate Expenditures	3,817.0	2,408.0	2,408.0	2,408.0	0.0	0.0	0.0	0.0	0.0	2,408.0	(1,409.0)	(36.9%)
- Corporate Utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
- Computer Leasing & External Contract Inquiry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Non-Program Expenditures	77,055.0	103,474.6	103,474.6	103,474.6	0.0	0.0	0.0	0.0	0.0	103,474.6	26,419.6	34.3%

Appendix 2

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET – REVENUES
BAC REVIEW SUMMARY



(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Changes			2006 BAC Rec'd Total Operating Budget			
					Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget Incr / (Dcr) %
Non-Program Revenues											
- Payments in Lieu of Taxes	83,929.9	83,929.9	83,929.9	83,929.9	0.0	0.0	0.0	0.0	0.0	83,929.9	0.0
- Supplementary Taxes	37,000.0	37,000.0	37,000.0	37,000.0	0.0	0.0	0.0	0.0	0.0	37,000.0	0.0%
- Tax Penalties	26,500.0	26,500.0	26,500.0	26,500.0	(1,000.0)	0.0	(1,000.0)	(1,000.0)	0.0	25,500.0	(3.8%)
- Interest/Investment Earnings	62,000.0	62,000.0	62,000.0	62,000.0	0.0	0.0	0.0	0.0	0.0	62,000.0	0.0%
- Other Corporate Revenues	23,178.6	2,410.4	9,768.1	9,768.1	112,862.0	0.0	112,862.0	112,862.0	0.0	122,630.1	429.1%
- Toronto Hydro Revenues	195,055.7	91,655.7	91,655.7	91,655.7	21,000.0	0.0	21,000.0	112,862.0	0.0	112,655.7	(42.2%)
- Provincial Revenue	136,600.0	91,600.0	91,600.0	91,600.0	135,000.0	0.0	135,000.0	135,000.0	0.0	226,600.0	65.9%
- Parking Authority Revenues	27,295.4	25,332.2	25,332.2	25,332.2	37.5	0.0	37.5	37.5	0.0	25,369.7	(7.1%)
- Administrative Support Recoveries - Water	18,973.0	18,973.0	18,973.0	18,973.0	0.0	0.0	0.0	0.0	0.0	18,973.0	0.0%
- Administrative Support Recoveries - Health & EMS	17,302.0	17,302.0	17,302.0	17,302.0	0.0	0.0	0.0	0.0	0.0	17,302.0	0.0%
- Parking Tag Enforcement & Oper.	82,787.0	75,000.0	75,000.0	75,000.0	5,000.0	0.0	5,000.0	5,000.0	0.0	80,000.0	(3.4%)
- Other Tax Revenues	14,280.1	15,000.0	15,000.0	15,000.0	688.3	0.0	688.3	688.3	0.0	15,688.3	10.0%
- Woodbine Slots	15,700.0	14,000.0	14,000.0	14,000.0	0.0	0.0	0.0	0.0	0.0	14,000.0	(10.8%)
Non-Program Revenues	740,581.7	560,703.2	568,060.9	568,060.9	273,587.8	0.0	273,587.8	273,587.8	0.0	841,648.7	13.6%
TOTAL - CORPORATE ACCOUNTS	846,431.9	674,104.0	681,639.5	681,639.5	273,587.8	10.0	273,587.8	273,587.8	187.8	955,237.3	12.9%
TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH	4,118,528.3	3,934,014.6	4,126,167.8	4,128,379.6	319,400.6	3,119.1	322,519.7	364,242.0	140,728.3	4,450,899.3	8.1%
Assessment Growth - 2006	0.0	10,000.0	10,000.0	10,000.0	49,761.3	0.0	0.0	49,761.3	0.0	59,761.3	n/a
TOTAL OPERATING BUDGET (GROSS REVENUES)	4,118,528.3	3,944,014.6	4,136,167.8	4,138,379.6	369,161.9	3,119.1	322,519.7	414,003.3	140,728.3	4,510,660.6	9.5%
NON LEVY OPERATIONS											
Parking Authority	97,169.0	95,134.5	95,134.5	95,134.5	50.0	0.0	50.0	50.0	0.0	95,184.5	(2.0%)
Wastewater Services	317,557.6	317,557.6	317,557.6	317,557.6	0.0	0.0	0.0	0.0	0.0	317,557.6	0.0%
Water Services	268,492.7	268,492.7	268,492.7	268,492.7	0.0	0.0	0.0	0.0	0.0	268,492.7	0.0%
TOTAL NON LEVY OPERATING BUDGET	683,219.3	681,184.8	681,184.8	681,184.8	50.0	0.0	50.0	50.0	0.0	681,234.8	(0.3%)



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
CORPORATE SUMMARY OF APPROVED POSITIONS (OPERATING AND CAPITAL)
PERMANENT VS TEMPORARY

	2005			2006						
	2005 Approved Budget			Total 2006 BAC Rec.d (Base and New)			Change in positions from 2005			
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total	%
Program										
Citizen Centred Services "A"										
Affordable Housing Office	16.0	8.0	24.0	16.0	8.0	24.0	0.0	0.0	0.0	0.0
Children's Services	772.0	180.7	952.7	792.0	175.7	967.7	20.0	(5.0)	15.0	1.6
Court Services	221.0	0.0	221.0	221.0	0.0	221.0	0.0	0.0	0.0	0.0
Culture	93.0	53.7	146.7	94.0	54.0	148.0	1.0	0.3	1.3	0.9
Economic Development	73.0	12.0	85.0	74.0	11.0	85.0	1.0	(1.0)	0.0	0.0
Emergency Medical Services	1,190.8	9.5	1,200.3	1,190.8	9.5	1,200.3	0.0	0.0	0.0	0.0
Homes for the Aged	2,106.5	0.0	2,106.5	2,126.9	0.0	2,126.9	20.4	0.0	20.4	1.0
Parks, Forestry & Recreation	1,709.0	2,185.1	3,894.1	1,732.5	2,184.5	3,917.0	23.5	(0.6)	22.9	0.6
Shelter, Housing & Support	495.0	193.6	688.6	507.5	186.5	694.0	12.5	(7.1)	5.4	0.8
Social Development, Finance & Administration	251.0	39.3	290.3	251.0	43.3	294.3	0.0	4.0	4.0	1.4
Social Services	1,881.0	23.0	1,904.0	1,881.0	59.0	1,940.0	0.0	36.0	36.0	1.9
Tourism	40.0	3.3	43.3	41.0	0.3	41.3	1.0	(3.0)	(2.0)	(4.6)
Sub-Total Citizen Centred Services "A"	8,848.3	2,708.2	11,556.5	8,927.7	2,731.8	11,659.5	79.4	23.6	103.0	0.9
Program										
Citizen Centred Services "B"										
Building	404.5	9.0	413.5	403.5	5.0	408.5	(1.0)	(4.0)	(5.0)	(1.2)
Business Support	87.0	10.0	97.0	82.0	13.5	95.5	(5.0)	3.5	(1.5)	(1.5)
City Planning	308.0	32.0	340.0	317.0	27.0	344.0	9.0	(5.0)	4.0	1.2
Clean & Beautiful Secretariat	2.0	1.0	3.0	2.0	0.0	2.0	0.0	(1.0)	(1.0)	(33.3)
Fire Services	3,184.7	0.0	3,184.7	3,185.7	0.0	3,185.7	1.0	0.0	1.0	0.0
Municipal Licensing and Standards	306.0	9.0	315.0	312.0	8.0	320.0	6.0	(1.0)	5.0	1.6
Solid Waste Management Services	1,331.0	91.3	1,422.3	1,386.5	34.6	1,421.1	55.5	(56.7)	(1.2)	(0.1)
Transportation Services	1,279.4	77.9	1,357.3	1,291.1	84.2	1,375.3	11.7	6.3	18.0	1.3
Waterfront Secretariat	6.0	0.0	6.0	7.0	1.0	8.0	1.0	1.0	2.0	33.3
WWES - Technical Services	609.1	29.4	638.5	609.1	29.4	638.5	0.0	0.0	0.0	0.0
Sub-Total Citizen Centred Services "B"	7,517.7	259.6	7,777.3	7,595.9	202.7	7,798.6	78.2	(56.9)	21.3	0.3
Program										
Internal Services										
Office of the DCM and Chief Financial Officer	170.0	2.0	172.0	0.0	2.0	167.0	(5.0)	0.0	(5.0)	(2.9)
Office of the Treasurer	700.0	24.0	724.0	711.0	21.0	732.0	11.0	(3.0)	8.0	1.1
Corporate Communications	83.0	0.0	83.0	83.0	0.0	83.0	0.0	0.0	0.0	0.0
Facilities & Real Estate	737.9	26.4	764.3	737.9	26.4	764.3	0.0	0.0	0.0	0.0
Fleet Services	202.0	0.0	202.0	198.0	0.0	198.0	(4.0)	0.0	(4.0)	(2.0)
Information & Technology	322.0	71.0	393.0	331.0	32.0	363.0	9.0	(39.0)	(30.0)	(7.6)
Sub-Total Internal Services	2,214.9	123.4	2,338.3	2,225.9	81.4	2,307.3	11.0	(42.0)	(31.0)	(11.4)
Program										
City Manager										
City Manager's Office	61.0	0.0	61.0	63.0	0.0	63.0	2.0	0.0	2.0	3.3
Human Resources	299.0	6.0	305.0	295.0	6.0	301.0	(4.0)	0.0	(4.0)	(1.3)
Sub-Total City Manager	360.0	6.0	366.0	358.0	6.0	364.0	(2.0)	0.0	(2.0)	(0.5)



Appendix 5

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
CORPORATE SUMMARY OF APPROVED POSITIONS (OPERATING AND CAPITAL)
PERMANENT VS TEMPORARY

Program	2005			2006			
	2005 Approved Budget			Total 2006 BAC Rec'd (Base and New)			
	Permanent	Temporary	Total	Permanent	Temporary	Total	%
Other City Programs							
City Clerk's Office	356.0	9.5	365.5	351.0	9.5	360.5	(1.4)
Legal Services	225.0	14.0	239.0	227.0	14.0	241.0	0.8
Auditor General's Office	28.0	0.0	28.0	29.0	0.0	29.0	3.6
Mayor's Office	19.0	0.0	19.0	19.0	0.0	19.0	0.0
Council	182.0	1.0	183.0	182.0	1.0	183.0	0.0
3 - 1 - 1 Program	0.0	3.0	3.0	0.0	5.0	5.0	66.7
Sub-Total Other City Programs	810.0	27.5	837.5	808.0	29.5	837.5	69.7
TOTAL - CITY OPERATIONS	19,750.9	3,124.7	22,875.6	19,915.5	3,051.4	22,966.9	61.4
Special Purpose Bodies							
Toronto Public Health	1,804.5	69.1	1,873.6	2,005.1	117.4	2,122.5	13.3
Toronto Public Library	1,817.7	0.0	1,817.7	1,817.7	0.0	1,817.7	0.0
Association of Community Centres	87.1	3.0	90.1	87.1	3.0	90.1	0.0
Exhibition Place	132.0	295.0	427.0	132.0	320.0	452.0	5.9
Heritage Toronto	5.0	0.0	5.0	5.0	0.0	5.0	0.0
Theatres	86.4	111.7	198.1	92.2	108.8	201.0	1.5
Toronto Zoo	258.0	94.5	352.5	259.0	95.0	354.0	0.4
Arena Boards of Management	37.0	26.5	63.5	38.0	25.5	63.5	0.0
Yonge Dundas Square	3.0	0.0	3.0	4.0	0.0	4.0	33.3
Parking Enforcement Unit	395.0	0.0	395.0	395.0	0.0	395.0	0.0
Toronto Atmospheric Fund	4.0	0.0	4.0	4.0	0.0	4.0	0.0
Toronto & Region Conservation Authority	258.2	113.0	371.2	290.3	104.4	394.7	6.3
Toronto Transit Commission*	10,511.0	138.0	10,649.0	10,733.0	140.0	10,873.0	2.1
Toronto Police Services(excludes Board)	7,353.0	20.0	7,373.0	7,557.0	15.0	7,572.0	2.7
TOTAL - SPECIAL PURPOSE BODIES	22,751.9	870.8	23,622.7	23,419.4	929.1	24,348.5	3.1
TOTAL LEVY OPERATIONS	42,502.8	3,995.5	46,498.3	43,334.9	3,980.5	47,315.4	1.8
				832.1	(15.0)	817.1	

* TTC includes Conventional and Wheel Trans



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
CORPORATE SUMMARY OF APPROVED POSITIONS (OPERATING)
PERMANENT VS TEMPORARY

Program	2005				2006			
	2005 Approved Budget				Total 2006 BAC Rec'd (Base and New)			
	Permanent	Temporary	Total		Permanent	Temporary	Total	
Citizen Centred Services "A"								
Affordable Housing Office	16.0	8.0	24.0		16.0	8.0	24.0	
Children's Services	772.0	180.7	952.7		792.0	175.7	967.7	
Court Services	221.0	0.0	221.0		221.0	0.0	221.0	
Culture	89.0	53.7	142.7		90.0	54.0	144.0	
Economic Development	68.0	12.0	80.0		69.0	11.0	80.0	
Emergency Medical Services	1,189.8	7.5	1,197.3		1,189.8	7.5	1,197.3	
Homes for the Aged	2,106.5	0.0	2,106.5		2,126.9	0.0	2,126.9	
Parks, Forestry & Recreation	1,679.0	2,185.1	3,864.1		1,702.5	2,184.5	3,887.0	
Shelter, Housing & Support	495.0	187.6	682.6		507.5	181.5	689.0	
Social Development, Finance & Administration	251.0	39.3	290.3		251.0	43.3	294.3	
Social Services	1,881.0	23.0	1,904.0		1,881.0	59.0	1,940.0	
Tourism	40.0	3.3	43.3		41.0	0.3	41.3	
Sub-Total Citizen Centred Services "A"	8,808.3	2,700.2	11,508.5		8,887.7	2,724.8	11,612.5	
Citizen Centred Services "B"								
Building	404.5	9.0	413.5		403.5	5.0	408.5	
Business Support	87.0	0.0	87.0		82.0	0.0	82.0	
City Planning	306.0	15.0	321.0		315.0	12.0	327.0	
Clean & Beautiful Secretariat	2.0	1.0	3.0		2.0	0.0	2.0	
Fire Services	3,184.7	0.0	3,184.7		3,185.7	0.0	3,185.7	
Municipal Licensing and Standards	306.0	9.0	315.0		312.0	8.0	320.0	
Solid Waste Management Services	1,331.0	91.3	1,422.3		1,386.5	34.6	1,421.1	
Transportation Services	1,277.4	77.9	1,355.3		1,289.1	84.2	1,373.3	
Waterfront Secretariat	5.0	0.0	5.0		6.0	0.0	6.0	
WES - Technical Services	363.1	21.4	384.5		363.1	21.4	384.5	
Sub-Total Citizen Centred Services "B"	7,266.7	224.6	7,491.3		7,344.9	165.2	7,510.1	
Internal Services								
Office of the DCM and Chief Financial Officer	170.0	0.0	170.0		0.0	0.0	0.0	
Office of the Treasurer	700.0	18.0	718.0		165.0	0.0	165.0	
Corporate Communications	83.0	0.0	83.0		711.0	18.0	729.0	
Facilities & Real Estate	695.9	12.4	708.3		83.0	0.0	83.0	
Fleet Services	202.0	0.0	202.0		695.9	12.4	708.3	
Information & Technology	322.0	15.0	337.0		198.0	0.0	198.0	
Sub-Total Internal Services	2,172.9	45.4	2,218.3		2,161.9	58.4	2,220.3	
City Manager								
City Manager's Office	61.0	0.0	61.0		63.0	0.0	63.0	
Human Resources	299.0	6.0	305.0		295.0	6.0	301.0	
Sub-Total City Manager	360.0	6.0	366.0		358.0	6.0	364.0	
Change in positions from 2005					Permanent	Temporary	Total	%
					79.4	24.6	104.0	0.9
					(1.0)	(4.0)	(5.0)	(1.2)
					(5.0)	0.0	(5.0)	(5.7)
					9.0	(3.0)	6.0	1.9
					0.0	(1.0)	(1.0)	(33.3)
					1.0	0.0	1.0	0.0
					6.0	(1.0)	5.0	1.6
					55.5	(56.7)	(1.2)	(0.1)
					11.7	6.3	18.0	1.3
					1.0	0.0	1.0	20.0
					0.0	0.0	0.0	0.0
					78.2	(59.4)	18.8	0.3
					(5.0)	0.0	(5.0)	(2.9)
					11.0	0.0	11.0	1.5
					0.0	0.0	0.0	0.0
					0.0	0.0	0.0	0.0
					(4.0)	0.0	(4.0)	(2.0)
					(13.0)	13.0	0.0	0.0
					(11.0)	13.0	2.0	0.1
					2.0	0.0	2.0	3.3
					(4.0)	0.0	(4.0)	(1.3)
					(2.0)	0.0	(2.0)	(0.5)



Appendix 5

CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
CORPORATE SUMMARY OF APPROVED POSITIONS (OPERATING)
PERMANENT VS TEMPORARY

Program	2005			2006				
	2005 Approved Budget			Total 2006 BAC Rec.d (Base and New)				
	Permanent	Temporary	Total	Permanent	Temporary	Total	Change in positions from 2005	%
Other City Programs								
City Clerk's Office	356.0	9.5	365.5	351.0	9.5	360.5	(5.0)	(1.4)
Legal Services	225.0	14.0	239.0	227.0	14.0	241.0	2.0	0.8
Auditor General's Office	28.0	0.0	28.0	29.0	0.0	29.0	1.0	3.6
Mayor's Office	19.0	0.0	19.0	19.0	0.0	19.0	0.0	0.0
Council	182.0	1.0	183.0	182.0	1.0	183.0	0.0	0.0
3 - 1 - 1 Program	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Sub-Total Other City Programs	810.0	24.5	834.5	808.0	24.5	832.5	(2.0)	(0.2)
TOTAL - CITY OPERATIONS	19,417.9	3,000.7	22,418.6	19,560.5	2,978.9	22,539.4	142.6	(21.8)
Special Purpose Bodies								
Toronto Public Health	1,804.5	44.0	1,848.5	2,005.1	106.9	2,112.0	200.6	14.3
Toronto Public Library	1,813.2	0.0	1,813.2	1,813.2	0.0	1,813.2	0.0	0.0
Association of Community Centres	87.1	3.0	90.1	87.1	3.0	90.1	0.0	0.0
Exhibition Place	127.0	295.0	422.0	127.0	320.0	447.0	0.0	5.9
Heritage Toronto	5.0	0.0	5.0	5.0	0.0	5.0	0.0	0.0
Theatres	86.4	111.7	198.1	91.2	108.8	200.0	4.8	1.0
Toronto Zoo	258.0	94.5	352.5	259.0	95.0	354.0	1.0	0.4
Arena Boards of Management	37.0	26.5	63.5	38.0	25.5	63.5	1.0	0.0
Yonge Dundas Square	3.0	0.0	3.0	4.0	0.0	4.0	1.0	33.3
Parking Enforcement Unit	395.0	0.0	395.0	395.0	0.0	395.0	0.0	0.0
Toronto Atmospheric Fund	4.0	0.0	4.0	4.0	0.0	4.0	0.0	0.0
Toronto & Region Conservation Authority	258.2	113.0	371.2	290.3	104.4	394.7	32.1	6.3
Toronto Transit Commission*	9,698.0	21.0	9,719.0	9,898.0	23.0	9,921.0	200.0	2.1
Toronto Police Services(excludes Board)	7,353.0	20.0	7,373.0	7,557.0	15.0	7,572.0	204.0	2.7
TOTAL - SPECIAL PURPOSE BODIES	21,929.4	728.7	22,658.1	22,573.9	801.6	23,375.5	644.5	3.2
TOTAL LEVY OPERATIONS	41,347.3	3,729.4	45,076.7	42,134.4	3,780.5	45,914.9	787.1	1.9

* TTC includes Conventional and Wheel Trans



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
CORPORATE SUMMARY OF APPROVED POSITIONS (CAPITAL)
PERMANENT VS TEMPORARY

	2005										Total Change in positions from 2005 to 2006
	2005 Approved Budget				Total 2006 BAC Rec.d (Base and New)			Change in positions from 2005			
	Permanent	Temporary	Total		Permanent	Temporary	Total	Permanent	Temporary	Total	%
Program Citizen Centred Services "A"											
Affordable Housing Office			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Children's Services			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Court Services			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Culture	4.0	0.0	4.0		4.0	0.0	4.0	0.0	0.0	0.0	0.0
Economic Development	5.0	0.0	5.0		5.0	0.0	5.0	0.0	0.0	0.0	0.0
Emergency Medical Services	1.0	2.0	3.0		1.0	2.0	3.0	0.0	0.0	0.0	0.0
Homes for the Aged			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Parks, Forestry & Recreation	30.0	0.0	30.0		30.0	0.0	30.0	0.0	0.0	0.0	0.0
Shelter, Housing & Support	0.0	6.0	6.0		0.0	5.0	5.0	0.0	(1.0)	(1.0)	(16.7)
Social Development, Finance & Administration			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Social Services			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Tourism			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Sub-Total Citizen Centred Services "A"	40.0	8.0	48.0		40.0	7.0	47.0	0.0	(1.0)	(1.0)	(2.1)
Citizen Centred Services "B"											
Building			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Business Support		10.0	10.0		0.0	13.5	13.5	0.0	3.5	3.5	35.0
City Planning	2.0	17.0	19.0		2.0	15.0	17.0	0.0	(2.0)	(2.0)	(10.5)
Clean & Beautiful Secretariat			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Fire Services			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Municipal Licensing and Standards			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Solid Waste Management Services			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Transportation Services	2.0		2.0		2.0	0.0	2.0	0.0	0.0	0.0	0.0
Waterfront Secretariat	1.0		1.0		1.0	1.0	2.0	0.0	1.0	1.0	100.0
WES - Technical Services	246.0	8.0	254.0		246.0	8.0	254.0	0.0	0.0	0.0	0.0
Sub-Total Citizen Centred Services "B"	251.0	35.0	286.0		251.0	37.5	288.5	0.0	2.5	2.5	0.9
Internal Services											
Office of the DCM and Chief Financial Officer		2.0	2.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Office of the Treasurer		6.0	6.0		0.0	3.0	3.0	0.0	(3.0)	(3.0)	(50.0)
Corporate Communications			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Facilities & Real Estate	42.0	14.0	56.0		42.0	14.0	56.0	0.0	0.0	0.0	0.0
Fleet Services			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Information & Technology	0.0	56.0	56.0		22.0	4.0	26.0	22.0	(52.0)	(30.0)	(53.6)
Sub-Total Internal Services	42.0	78.0	120.0		64.0	23.0	87.0	22.0	(55.0)	(33.0)	(27.5)
City Manager											
City Manager's Office			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Human Resources			0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a
Sub-Total City Manager	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	n/a

Appendix 5



CITY OF TORONTO
2006 BAC RECOMMENDED OPERATING BUDGET
CORPORATE SUMMARY OF APPROVED POSITIONS (CAPITAL)
PERMANENT VS TEMPORARY

Program	2005			Total Change in positions from 2005 to 2006		
	2005 Approved Budget			Change in positions from 2005		
	Permanent	Temporary	Total	Permanent	Temporary	Total
Other City Programs						
City Clerk's Office	0.0	0.0	0.0	0.0	0.0	0.0
Legal Services	0.0	0.0	0.0	0.0	0.0	0.0
Auditor General's Office	0.0	0.0	0.0	0.0	0.0	0.0
Mayor's Office	0.0	0.0	0.0	0.0	0.0	0.0
Council	0.0	0.0	0.0	0.0	0.0	0.0
3 - 1 - 1 Program	0.0	3.0	3.0	0.0	2.0	2.0
Sub-Total Other City Programs	0.0	3.0	3.0	0.0	2.0	2.0
TOTAL - CITY OPERATIONS	333.0	124.0	457.0	22.0	(51.5)	(29.5)
Special Purpose Bodies						
Toronto Public Health	25.1	25.1	25.1	0.0	(14.6)	(14.6)
Toronto Public Library	4.5	0.0	4.5	0.0	0.0	0.0
Association of Community Centres	0.0	0.0	0.0	0.0	0.0	0.0
Exhibition Place	5.0	0.0	5.0	0.0	0.0	0.0
Heritage Toronto	0.0	0.0	0.0	0.0	0.0	0.0
Theatres	0.0	0.0	0.0	1.0	0.0	1.0
Toronto Zoo	0.0	0.0	0.0	0.0	0.0	0.0
Arena Boards of Management	0.0	0.0	0.0	0.0	0.0	0.0
Yonge Dundas Square	0.0	0.0	0.0	0.0	0.0	0.0
Parking Enforcement Unit	0.0	0.0	0.0	0.0	0.0	0.0
Toronto Atmospheric Fund	0.0	0.0	0.0	0.0	0.0	0.0
Toronto & Region Conservation Authority	0.0	0.0	0.0	0.0	0.0	0.0
Toronto Transit Commission*	813.0	117.0	930.0	22.0	0.0	22.0
Toronto Police Services(excludes Board)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL - SPECIAL PURPOSE BODIES	822.5	142.1	964.6	23.0	(14.6)	8.4
TOTAL LEVY OPERATIONS	1,155.5	266.1	1,421.6	45.0	(66.1)	(21.1)

* TTC includes Conventional and Wheel Trans

February 17, 2006,

Appendix 6

City of Toronto 2006 Operating Budget

Budget Advisory Committee Transmittal

Recommendations:

The Budget Advisory Committee recommended to the Policy and Finance Committee that City Council:

CITIZEN CENTRED SERVICES - A

1.1 AFFORDABLE HOUSING OFFICE

Adopt the 2006 Proposed Operating Budget Recommendation for the Affordable Housing Office, as contained in the Analyst Briefing Notes:

“It is recommended that the Affordable Housing Office 2006 Proposed Operating Budget of \$3.021 million gross and \$1.414 million net, be approved.”

Subject to reducing the budget in the amount of \$7.0 thousand resulting in a revised net budget amount of \$1.414 million.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendation for the Affordable Housing Office, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the Affordable Housing Office

It is recommended that the Affordable Housing Office's 2006 Proposed Operating Budget of \$3.021 million gross and \$1.421 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Affordable Housing Office	3,021.0	1,421.0
Total Program Budget	3,021.0	1,421.0

1.2 CHILDREN'S SERVICES

Adopt the 2006 Proposed Operating Budget Recommendations for Children's Services, as contained in the Analyst Briefing Notes:

- “(1) the Children's Services' 2006 Proposed Operating Budget of \$415.589 million gross and \$68.567 million net be approved;
- (2) the General Manager of Children's Services report back to the Budget Advisory Committee and Policy and Finance Committee on any unused funds from the 2005 provincial allocation for Best Start that may be required to be carried forward into 2006 through the 2005 Year-End Variance Report;
- (3) the General Manager report back to the Budget Advisory Committee, through the Community Service Committee, on the financial details of the proposed After School Recreation and Care Program, in early 2006; and
- (4) the General Manager of Children's Services report back to Budget Advisory Committee on the capital budget allocations for child care centres in City-owned and non-City-owned facilities, once identified, under the Best Start Initiative with recommended adjustments to Children's Services' Operating and Capital Budgets to accommodate the City's revised Best Start Capital Plan.”,

subject to reducing the budget in the amount of \$100.0 thousand and controlling expenditures by phasing implementation of the Before and After School Program resulting in a revised net budget amount of \$68.567 million.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Children's Services, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Children's Services

- (1) The Children's Services' 2006 Proposed Operating Budget of \$415.589 million gross and \$68.667 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Administration	24,099.3	9,360.9
Municipal Child Care	61,978.6	18,166.9
Purchased Child Care	329,511.0	41,139.2
Total Program Budget	415,588.9	68,667.0

- (2) the General Manager of Children's Services report back to the Budget Advisory Committee and Policy and Finance Committee on any unused funds from the 2005 provincial allocation for Best Start that may be required to be carried forward into 2006 through the 2005 Year-End Variance Report;
- (3) the General Manager report back to the Budget Advisory Committee, through the Community Service Committee, on the financial details of the proposed After School Recreation and Care Program, in early 2006; and
- (4) the General Manager of Children's Services report back to Budget Advisory Committee on the capital budget allocations for child care centres in City-owned and non-City-owned facilities, once identified, under the Best Start Initiative with recommended adjustments to Children's Services' Operating and Capital Budgets to accommodate the City's revised Best Start Capital Plan.

1.3 COURT SERVICES

- A. Adopt Recommendation (1) of the 2006 Proposed Operating Budget Recommendations for Court Services, as contained in the Analyst Briefing Notes:

“(1) the Court Services' 2006 Proposed Operating Budget of \$32.555 million gross and \$(9.404) million net, be approved;”,

subject to reducing the budget by \$140.0 thousand; and

- B. amend Recommendation (2) in the 2006 Proposed Operating Budget Recommendations for Court Services to read:

“(2) that the Director of Court Services report back to the Budget Advisory Committee on the success of the Off Duty Police Initiative and the initiative to reduce fines in default prior to the 2007 Operating Budget process.”

Administration Committee Recommendations

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Court Services, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Court Services

- (1) The Court Services' 2006 Proposed Operating Budget of \$32.555 million gross and \$(9.404) million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Finance and Administration	18,204.9	16,739.9
Court Administration	7,465.0	(33,029.3)
Court Support	4,079.9	4,079.9
Planning and Liaison	2,805.4	2,805.4
	<hr/>	<hr/>
Total Program Budget	32,555.2	(9,404.1)

- (2) the Director of Court Services report back to the Budget Advisory Committee on the success of the Off Duty Police Initiative during to the 2007 operating budget process.

1.4 CULTURE

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Culture, as contained in the Analyst Briefing Notes:

- “(1) the Culture 2006 Proposed Operating Budget of \$15.860 million gross and \$10.654 million net, be approved;
- (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;”

subject to:

- (i) adding \$25,000 gross and \$12,500 net for the Toronto Music Garden Program, with revenue from a private donation; and
- (ii) the following 2006 Reserve Fund Technical Adjustments (one time) for a total of \$33,000 gross, net zero:
- Gibson House Museum Donation Fund;
 - Spadina Museum Donation Fund;
 - Colborne Lodge Museum Donation Fund; and
 - World War II Fiftieth Anniversary Maintenance Reserve Fund;

- B. adopt the staff recommendations in the Recommendations Section of the report (January 23, 2006) from the General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer regarding the

Harbourfront Parklands – Establishment of a Reserve Fund Account for Programming at Toronto Music Garden:

- “(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); and
 - (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.”;
- C. receive Recommendation (4) in the Analyst Briefing Notes as the report has been submitted:
- “(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;”;
- D. refer the following recommendations back to the Economic Development and Parks Committee for further consideration:

- “(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.”

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Culture, as contained in the Analyst Briefing Notes, 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."

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
	<hr/>	<hr/>
Total Program Budget	15,859.7	10,653.5
	<hr/>	<hr/>

- (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.

1.5 ECONOMIC DEVELOPMENT

- A. Adopt Recommendations (1), (2) and (3) of the 2006 Proposed Operating Budget Recommendations for Economic Development, as contained in the Analyst Briefing Notes:

- "(1) The Economic Development 2006 Proposed Operating Budget of \$10.311 million gross and \$8.292 million net, be approved;
- (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;”,

subject to:

- (i) reducing the budget by \$350,000;
 - (ii) decreasing the New and Enhanced Funding by \$89,500 for Support for International Relationships;
 - (iii) continuing to use in the Economic Development 2006 Operating Budget the amount of \$0.037 million from the Governmental Reserve Fund to partially contribute to the City's Greater Toronto Marketing Alliance membership cost of \$0.100 million; and
- B. receive Recommendation (4) of the 2006 Proposed Operating Budget Recommendations for Economic Development as the information has been submitted:
- “(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.”

Action taken by the Committee:

The Budget Advisory Committee received the 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.

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Economic Development, as contained in the Analyst Briefing Notes, 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.

Operating 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
	<hr/>	<hr/>
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.

1.6 EMERGENCY MEDICAL SERVICES

- A. Adopt Recommendations (1) and (2) of the 2006 Proposed Operating Budget Recommendations for Emergency Medical Services, as contained in the Analyst Briefing Notes:

"That:

- (1) the Emergency Medical Services' 2006 Proposed Operating Budget of \$142.593 million gross and \$70.927 million net, be approved:
- (2) the General Manager of Emergency Medical Services continue discussions with the Province to restore full funding for cost of administration to eliminate the subsidy shortfall and the service/financial impact of the hospital offload delays and report back to the Budget Advisory Committee on the status of these discussions prior to the end of the 2006 Budget process;"

subject to:

- (a) establishing a reduction target of \$300,000.00 from EMS to come from discretionary funds not including front line staff expenditures and not including reserve funds;
- (b) increasing the 2006 Proposed Operating Budget for Emergency Medical Services by \$0.075 million to reflect the incremental cost to fully administer the City's PAD Program;
- (c) the future year Operating Budget Submissions for EMS including increases of \$0.057 million in 2007, \$0.067 million in 2008, \$0.073 in 2009, and \$0.073 million in 2010, and any inflationary increases as determined for each budget year, to address the expansion of the PAD program which includes the planned distribution of 70 Automatic External Defibrillators (AED)s per year;
- (d) the associated cost of the operation of the PAD program of \$0.061 million included in the 2006 Proposed Operating Budget for Parks, Forestry and Recreation, being transferred to the 2006 Proposed Operating Budget for EMS; and
- (e) the 2006 Approved Capital Budget being reduced by \$0.439 million to reflect the implementation of the proposed PAD Program;

B. receive the following Recommendation (3) of the 2006 Proposed Operating Budget Recommendations for Emergency Medical Services:

- “(3) the General Manager of Emergency Medical Services review the current fee structure, for emergency medical response reports requested by internal and external organizations, and other opportunities for revenue generation, and report back to the Budget Advisory Committee during the 2006 Budget Process.”;

C. request the City Manager and the Mayor to write to:

- (a) the Premier of Ontario identifying and explaining the reasons which created the \$12.3 million shortfall in provincial funding for Emergency Medical Services in the 2006 budget and requesting again that this shortfall be eliminated and that full 50 percent funding of Emergency Medical Services be restored;
- (b) the two provincial opposition parties explaining the issue and requesting their commitment to restore this funding and provide the full 50 percent provincial funding;

and report to the Community Services Committee within three months on the response; and

- D. request the Province of Ontario to immediately recognize the actual cost of emergency services amounting to \$12.3 million with respect to Toronto Emergency Medical Services.

Action taken by the Committee:

The Budget Advisory Committee received the report (January 19, 2006) from the General Manager, Emergency Medical Services, entitled “Public Access Defibrillation Program Operating Costs”.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council:

- (i) adopt the 2006 Proposed Operating Budget recommendations for Emergency Medical Services, as contained in the Analyst Briefing Notes; and
- (ii) request the City Manager and the Mayor to write to:
 - (1) the Premier of Ontario identifying and explaining the reasons which created the \$12.3 million shortfall in provincial funding for Emergency Medical Services in the 2006 budget and requesting again that this shortfall be eliminated and that full 50 percent funding of Emergency Medical Services be restored;
 - (2) the two provincial opposition parties explaining the issue and requesting their commitment to restore this funding and provide the full 50 percent provincial funding;

and submit a report to the Community Services Committee within three months on the response.

Operating Recommendations contained in the Analyst Briefing Notes for Emergency Medical Services

- (1) The Emergency Medical Services’ 2006 Proposed Operating Budget of \$142.593 million gross and \$70.927 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
CACC	12,295.6	854.1
Centralized Support Services	2,476.8	2,476.8
Corporate Charges	5,900.0	5,900.0
EMS Operations Support Services	19,560.3	10,172.1
EMS Operations	95,089.6	48,642.7
Program Development & Service Quality	7,271.1	2,881.7
Total Program Budget	142,593.4	70,927.4

- (2) the General Manager of Emergency Medical Services continue discussions with the Province to restore full funding for cost of administration to eliminate the subsidy shortfall and the service/financial impact of the hospital offload delays and report back to the Budget Advisory Committee on the status of these discussions prior to the end of the 2006 Budget process; and
- (3) the General Manager of Emergency Medical Services review the current fee structure, for emergency medical response reports requested by internal and external organizations, and other opportunities for revenue generation, and report back to the Budget Advisory Committee during the 2006 Budget Process.

1.7 HOMES FOR THE AGED

Adopt the 2006 Proposed Operating Budget Recommendations for Homes for the Aged, as contained in the Analyst Briefing Notes:

“It is recommended that the Homes for Aged 2006 Proposed Operating Budget of \$186.741 million gross and \$32.818.0 million net be approved.”,

subject to reducing the budget in the amount of \$570.0 thousand by one-time reductions in nine different accounts, resulting in a revised net budget amount of \$32.818.0 million.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendation for Homes for the Aged, as contained in the Analyst Briefing Notes.

Operating Recommendation contained in the Analyst Briefing Notes for the Homes for the Aged

The Homes for Aged 2006 Proposed Operating Budget of \$186.741 million gross and \$33.388 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Division Office	1,584.2	505.8
Toronto Homes	174,830.1	31,325.9
Community Based Services	10,327.0	1,556.3
	<hr/>	<hr/>
Total Program Budget	186,741.3	33,388.0
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1.8 PARKS, FORESTRY AND RECREATION

- A. Adopt Recommendations (1), (2), (3), (4) and (7) of the 2006 Proposed Operating Budget Recommendations for Parks, Forestry and Recreation, as contained in the Analyst Briefing Notes:

- “(1) The Parks, Forestry and Recreation 2006 Proposed Operating Budget of \$284.014 million gross and \$212.107 million net, be approved;
- (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 Park, Forestry and Recreation’s 2006 Proposed Operating Budget and that the resulting service impacts be identified; 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) additional savings of \$1.390 million, broken down as follows:
 - (a) \$0.500 million allocation recommended by Deputy City Manager Corke;

- (b) reverse the \$0.176 million revenue reduction to reflect the reversal of the Economic Development and Parks Committee recommendation to eliminate permit fees for children and youth for the use of class A, B and C gymnasias;
 - (c) reverse the \$0.076 million revenue reduction to reflect the reversal of the Economic Development and Parks Committee recommendation to eliminate non-prime time permit fees for seniors using multi-purpose rooms and gymnasias;
 - (ii) adding \$108,592.80 gross and net for the “After School Youth” component of the Youth Recreation Strategy; and
 - (iii) adding \$46,234.24 gross and net for the “Drop-in Social Clubs for Youth with Disabilities” component of the Youth Recreation Strategy;
- B. receive the following Recommendations (5) and (6) in the 2006 Proposed Operating Budget Recommendations for Parks, Forestry and Recreation:
- “(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
- C. receive the following recommendations of the Economic Development and Parks Committee:
- (ii) adding \$254,300 gross and \$216,500 net for the Earthkeepers Program;
 - (iii) adding \$791,900 gross and \$741,900 net for Ravine and Watercourse Maintenance; and
 - (iv) adding \$253,400 gross and net for Enhanced Community Development.

Action taken by the Committee:

The Budget Advisory Committee received the following communications:

- (i) (July 27, 2005) from the City Clerk, entitled “Parks, Forestry and Recreation Revenue Review – Phase II (All Wards)”;

- (ii) (October 3, 2005) from the City Clerk, entitled “Earth Keepers Program (All Wards)”; and
- (iii) (November 1, 2005) from the City Clerk, entitled “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)”.

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Parks, Forestry and Recreation, as contained in the Analyst Briefing Notes, 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 gymnasias; 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 gymnasias during the day (non-prime time), and that \$76,000 be provided to offset the consequent loss in revenue.

Operating 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
	<hr/>	<hr/>
Total Program Budget	284,014.3	212,107.0
	<hr/>	<hr/>

- (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 Park, 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.

1.9 SHELTER, SUPPORT AND HOUSING ADMINISTRATION

- A. Adopt the 2006 Proposed Operating Budget Recommendation for Shelter, Support and Housing Administration, as contained in the Analyst Briefing Notes:

“It is recommended that the Shelter, Support and Housing Administration 2006 Proposed Operating Budget of \$666.370 million gross and \$274.990.9 million net be approved.”,

subject to:

- (i) reducing the budget in the amount of \$340.0 thousand by a reduction in funds for motels, recreation and educational supplies, medical and dental supplies and miscellaneous administration items;
- (ii) \$50,000.00 to be taken from within the Shelter, Support and Housing Administration Division budget, or from the Social Housing Stabilization Reserve Fund, for the termite identification, treatment and eradication control program,

resulting in a revised net budget amount of \$274,990.9 thousand net;

- B. adopt the staff recommendations, with the exception of Recommendation (4), contained in the Recommendations Section of the report (November 3, 2005) from the General Manager, Shelter, Support and Housing Administration, respecting “110 Edward Street: Extension of Emergency Shelter and Referral Centre Programs;”, as recommended by the Community Services Committee, so that the Recommendations now read as follows:

- “(1) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program beyond April 30, 2006 subject to the approval of the 2006 Shelter, Support and Housing Administration Operating budget;
- (2) the General Manager, Shelter, Support and Housing Administration, be authorized to continue to operate 110 Edward Street as an emergency shelter and assessment and referral program once the sale of the property is complete, subject to the approval of the 2006 Shelter, Support and Housing Administration Operating budget;
- (3) the General Manager, Shelter Support and Housing Administration, report to Community Services Committee and Budget Advisory Committee prior to the redevelopment of the site to detail the on-going financial cost implications; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;

- C. adopt staff recommendations (1), (2), (3), (4) and (6) in the Recommendations Section of the report (December 19, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “Villa Otthon – Withdrawal of Funds from the Social Housing Federal Reserve Fund and Approval of a Second

Mortgage (Ward 35 Scarborough Southwest)", as recommended by the Community Services Committee:

- "(1) authority be given to the General Manager, Shelter, Support and Housing Administration, (the "General Manager") to:
- (a) withdraw from the Social Housing Federal Reserve Fund amounts required for capital repairs at 568 Birchmount Road (the "Property"), an amount not to exceed \$1,572,000.00, and lend these funds to Villa Otthon;
 - (b) negotiate, execute and deliver a loan agreement, collateral security and ancillary agreements and documentation, including a second mortgage and a general assignment of rents on the Property, subject to the following terms and conditions:
 - (i) the loan will be non-interest bearing and not repayable until the earlier of the date (the "Commencement Date") (1) that the first mortgage on the Property held by CMHC is due to mature in 2015, or (2) such mortgage is redeemed;
 - (ii) starting on the Commencement Date the loan will bear interest at a rate equal to the prime lending rate charged by the City's leading banker plus one percent and be subject to a repayment schedule that would amortize the loan over a period of 15 years, subject to the right of Villa Otthon to pre-pay the loan at any time without interest or penalty;
 - (iii) the interest rate and repayment schedule will be renegotiable, subject to further Council approval; and
 - (iv) such other terms and conditions that are satisfactory to the General Manager, Shelter, Support and Housing Administration, and in a form acceptable to the City Solicitor;
 - (c) consent, on behalf of the City of Toronto to Villa Otthon mortgaging, charging or encumbering the Property in connection with the second mortgage, as required under the Operating Agreement being administered by the City of Toronto as Service Manager pursuant to the *Social Housing Reform Act, 2000* (the "SHRA"); and
 - (d) apply for the consent of the Minister of Municipal Affairs and Housing (the "Minister") required under a Transfer Order made pursuant to the provisions of the SHRA;

- (2) the loan of up to \$1,572,000.00 be deemed to be in the interests of the City of Toronto in accordance with section 107 of the *Municipal Act 2001*, S.O. 2001, Chapter 25;
 - (3) the 2006 budget for Shelter, Support and Housing Administration, be increased by \$1,572,000.00 gross and \$0 net and be funded by a withdrawal from the Social Housing Federal Reserve Fund to provide a loan to Villa Otthon for required capital expenditures at 568 Birchmount Road;
 - (4) the Province be requested to reimburse the City of Toronto for the \$1,572,000.00 needed for capital repairs at 568 Birchmount Road and to reimburse Villa Otthon for \$184,000.00 in additional capital repair costs incurred after the July 1, 2002, transfer to the City;
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”; and
- D. request the General Manager, Shelter, Support and Housing Administration to meet on an expedited basis with the Ministry of Health and Long-Term Care and the United Way and report back to the Community Services Committee on the status and plans of funding winter relief and drop-in centres.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council:

- (a) adopt the 2006 Proposed Operating Budget recommendations for Shelter, Support and Housing Administration, as contained in the Analyst Briefing Notes; and
- (b) request the Province of Ontario to immediately recognize the actual cost of emergency and community services, including \$29.1 million for shelter per diems.

Operating Recommendations contained in the Analyst Briefing Notes for Shelter, Support and Housing Administration

The Shelter, Support and Housing Administration 2006 Proposed Operating Budget of \$666.370 million gross and \$275.331 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Support	2,119.4	2,119.4
Housing Administration	506,978.9	218,354.9
Hostel Services	119,544.0	52,631.9
Housing and Homelessness Supports	28,010.4	1,881.5
Housing Programs	9,373.7	0
Partnership Development & Support	<u>343.2</u>	<u>343.2</u>
Total Program Budget	<u>\$666,369.6</u>	<u>\$275,330.9</u>

1.10 SOCIAL DEVELOPMENT, FINANCE AND ADMINISTRATION

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Social Development, Finance and Administration, as contained in the Analyst Briefing Notes:

- “(1) the Social Development, Finance and Administration’s 2006 Proposed Operating Budget of \$33.046 million gross and \$21.449.3 million net, be approved;
- (2) the Youth Employment and Local Leadership (YELL) Program, with an addition of 1.0 staffing position, be approved subject to Federal subsidy for \$1.958 million gross and \$0 net.”,

subject to:

- (i) reducing the budget in the amount of \$213,000.00 due to the consolidation of Finance and Administration functions, resulting in a revised net budget amount of \$21.449.3 million;
- (ii) transferring \$150,000 of the \$175,000 new funding contained in the Social Development Finance and Administration Division’s 2006 Proposed Budget to the Community Services Grants envelope, within the Community Partnership and Investment Program, to support youth led organizations; and
- (iii) using the remaining \$25,000 in Social Development Finance and Administration Division to support initial research and program development of gang exiting programs;

- B. adopt the staff recommendations in the Recommendations section of the report (December 20, 2005) from the Executive Director, Social Development, Finance and Administration, entitled “YouthAction – Youth Safety Project”, as recommended by the Community Services Committee:

- “(1) the Executive Director be authorized to enter into an agreement with the Department of Justice to receive one-time funds in an amount not to exceed \$124,402.00 as the project costs for the YouthAction Project;
- (2) the Social Development, Finance and Administration 2006 proposed operating budget be adjusted by an increase of \$124,402.00 gross, zero net;
- (3) the Executive Director be authorized to enter into agreements with East Scarborough Boys and Girls Club and Native Child and Family Services for the delivery of the “YouthAction” – youth safety project; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Action taken by the Committee:

The Budget Advisory Committee received the communication (November 8, 2005) from the City Clerk, entitled “Policy and Finance Committee Report 9, Clause 6 Toronto Strong Neighbourhoods Strategy”.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Social Development and Administration, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Social Development, Finance and Administration

- (1) The Social Development, Finance and Administration’s 2006 Proposed Operating Budget of \$33.046 million gross and \$21.662 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Administration and Program Support	18,543.3	9,240.0
Community Resources	3,493.8	1,613.0
Administration and Support Services	11,009.3	10,809.3
Total Program Budget	33,046.4	21,662.3

- (2) the Youth Employment and Local Leadership (YELL) Program, with an addition of 1.0 staffing position, be approved subject to Federal subsidy for \$1.958 million gross and \$0 net.

1.11 SOCIAL SERVICES

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Social Services, as contained in the Analyst Briefing Notes:

- “(1) The Social Services 2006 Proposed Operating Budget of \$1.036 billion gross and \$277.426 million net be approved; and
- (2) the General Manager of Social Services report to Budget Advisory Committee during the 2006 Operating Budget wrap-up meetings on actual year-to-date Ontario Works monthly caseload with possible revisions to the 2006 proposed average monthly caseload estimate of 75,000.”,

subject to reducing the budget in the amount of \$100.0 thousand from deferral of maintenance, resulting in a revised net budget amount of \$277.426 million; and

- B. request the Province of Ontario to:

- (a) immediately recognize the actual cost of community services, including \$23.2 million for Ontario Works Cost of Administration; and
- (b) immediately assume the full \$168 million cost of the provincial Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) program in Toronto; and
- (c) commit to working with the City of Toronto toward the uploading of costs for social housing and Ontario Works.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council:

- (a) adopt the 2006 Proposed Operating Budget recommendations for Social Services, as contained in the Analyst Briefing Notes;
- (b) request the Province of Ontario to:
- (i) immediately recognize the actual cost of emergency and community services, including:
- \$23.2 million for Ontario Works Cost of Administration; and
- (ii) immediately assume the full \$168 million cost of the provincial Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) program in Toronto;
- (iii) commit to working with the City of Toronto toward the uploading of costs for social housing and Ontario Works.

Operating Recommendations contained in the Analyst Briefing Notes for Social Services

- (1) The Social Services 2006 Proposed Operating Budget of \$1.036 billion gross and \$277.526 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Support	11,123.0	5,869.0
Social Assistance	1,025,449.0	271,657.0
	<hr/>	<hr/>
Total Program Budget	<u>1,036,572.0</u>	<u>277,526.0</u>

- (2) the General Manager of Social Services report to Budget Advisory Committee during the 2006 Operating Budget wrap-up meetings on actual year-to-date Ontario Works monthly caseload with possible revisions to the 2006 proposed average monthly caseload estimate of 75,000.

1.12 TOURISM

- A. Adopt Recommendations (1), (2), (3) and (4) of the 2006 Proposed Operating Budget Recommendations for Tourism, as contained in the Analyst Briefing Notes:

- “(1) The Tourism 2006 Proposed Operating Budget of \$9.028 million gross and \$5.286 million net, be approved;
- (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 3 Program’s 2006 Operating Budget, respectively; and

subject to:

- (i) reducing the budget by \$0.050 million;
- (ii) amending Recommendation (4) of the 2006 Proposed Operating Budget Recommendations for Tourism to read as follows:
 - (4) \$0.200 million of the \$0.531 million savings be re-allocated to offset new funding initiatives of \$0.150 million in Culture and \$0.050 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

B. receive the following Recommendation (5) of the 2006 Proposed Operating Budget Recommendations for Tourism, contained in the Analyst Briefing Notes:

- "(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."

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Tourism, as contained in the Analyst Briefing Notes.

Operating 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 3 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.

1.13 3-1-1 – CUSTOMER SERVICE STRATEGY

- A. Adopt Recommendation (1) of the 2006 Proposed Operating Budget Recommendations for the 3-1-1 Customer Service Strategy, as contained in the Analyst Briefing Notes:

“(1) the 3-1-1 Customer Service Strategy 2006 Proposed Operating Budget of \$0.617 million gross and \$0.391 million net, be approved;”,

subject to funding the remaining shortfall of \$0.138 million out of the 2006 Capital Budget for the 3-1-1 Customer Service Strategy; and

- B. receive the following Recommendation (2) of the 2006 Proposed Operating Budget Recommendations for the 3-1-1 Customer Service Strategy:

“(2) the Deputy City Manager and Chief Financial Officer report to Budget Advisory Committee during consideration of the 2006 Operating Budget on options to fund the remaining shortfall of \$0.138 million presently anticipated to be recovered from funded vacancies available elsewhere in the Corporation and/or chargebacks to the Programs participating in the 3-1-1 Customer Service Strategy.”

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for 3-1-1 – Customer Service Strategy, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the 3-1-1 Customer Service Strategy

- (1) The 3-1-1 Customer Service Strategy 2006 Proposed Operating Budget of \$0.617 million gross and \$0.391 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Project Management Office	616.8	390.6
Total Program Budget	616.8	390.6

- (2) the Deputy City Manager and Chief Financial Officer report to Budget Advisory Committee during consideration of the 2006 Operating Budget on options to fund the remaining shortfall of \$0.138 million presently anticipated to be recovered from funded vacancies available elsewhere in the Corporation and/or chargebacks to the Programs participating in the 3-1-1 Customer Service Strategy.

CITIZEN CENTRED SERVICES - B

1.14 BUILDING SERVICES

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Building Services, as contained in the Analyst Briefing Notes, which includes the following net zero New and Enhanced Service request:

- Improving the Planning Process (Overtime Costs) (\$400.0 thousand gross and \$0 net),

subject to:

- (i) amending Recommendation (1) by reducing the budget in the amount of \$101.0 thousand gross and net to be achieved through gapping and \$70.0 thousand gross and net to be achieved through a reduction in overtime expenditures; and
- (ii) deleting the following Recommendation (2) and renumbering the balance of the recommendations accordingly,

“(2) the Chief Building Official and Executive Director of Building Services submit a Briefing Note to the Planning and Transportation Committee in June 2006 addressing 2005 vacant positions and impact to 2005 and 2006 Performance;”,

resulting in a revised net budget of (\$11,546.7) thousand, so that the Recommendations now read as follows:

- “(1) the Building Services’ 2006 Proposed Operating Budget of \$39.276 million gross and (\$11.547) million net be approved;

- (2) the Chief Building Official and Executive Director of Building Services assess the workloads and needs of the Division and report back prior to the 2007 budget process on a long-term strategy for processing Building Permit applications within the legislated timeframes under Bill 124 and the new application review requirements under the *Brownfield's Statute Law Amendment Act*; and
- (3) the Chief Building Official and Executive Director of Building Services monitor the building permit fees collected during 2006 and report back to the Budget Advisory Committee as part of the 2007 budget process addressing whether the 4.6 percent Building Permit Fee increase was sufficient to achieve cost recovery as authorized under the *Building Code Act.*"; and
- (B) support the inter-divisional initiative to examine ways of organizing and operating the City's inspections and enforcement responsibilities with a view to maximizing the City's enforcement capacity and request that the project sponsor, Deputy City Manager Fareed Amin, report to the Planning and Transportation Committee on the progress made and recommended next steps as part of the 2007 budget cycle.

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Building Services, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Building Services

- (1) The Building Services' 2006 Proposed Operating Budget of \$39.447 million gross and (\$11.376) million net, comprised of the following service be approved:

Service:	Gross (\$000s)	Net (\$000s)
Building	39,447.0	(11,375.7)
Total Program Budget	<u>39,447.0</u>	<u>(11,375.7)</u>

- (2) the Chief Building Official and Executive Director of Building Services submit a Briefing Note to the Planning and Transportation Committee in June 2006 addressing 2005 vacant positions and impact to 2005 and 2006 Performance;
- (3) the Chief Building Official and Executive Director of Building Services assess the workloads and needs of the Division and report back prior to the 2007 budget process on a long-term strategy for processing Building Permit applications within the legislated timeframes under Bill 124 and the new application review requirements under the *Brownfield's Statute Law Amendment Act*; and

- (4) the Chief Building Official and Executive Director of Building Services monitor the building permit fees collected during 2006 and report back to the Budget Advisory Committee as part of the 2007 budget process addressing whether the 4.6 percent Building Permit Fee increase was sufficient to achieve cost recovery as authorized under the *Building Code Act*.

1.15 BUSINESS SUPPORT SERVICES

Adopt the following 2006 Proposed Operating Budget recommendation for Business Support Services, as contained in the Analyst Briefing Notes, which includes the following net zero New and Enhanced Service requests:

- Implementation of a Remote/Mobile Computing Solution (\$0.296 million gross and \$0 net; 0.5 temporary positions);
- Enabling IBMS to Support Parks and Transportation Activities (\$0.297 million gross and \$0 net; 3.0 temporary positions);
- IBMS SAP Integration 2005 (\$0.032 million gross and \$0 net; 2.0 temporary positions);
- IBMS Modifications to Support Compliance with Regulation 305 (\$0.150 million gross and \$0 net; 2.0 temporary positions); and
- Public Automated Inspection Request (PAIR) System (\$0.350 million gross and \$0 net; 3.0 temporary positions),

subject to the following amendments:

- (i) a reduction in the amount of \$22.2 thousand net to be achieved through gapping and \$20.0 thousand net to be achieved through a reduction in discretionary expenditures;
- (ii) Remote Computing – reduction of \$0.036 million gross and \$0 net for services and rents; and
- (iii) Public Automated Inspection Request (PAIR) System – reduction of \$0.200 million gross and \$0 net for equipment;

so that the recommendation now reads as follows:

“The Business Support Services’ 2006 Proposed Operating Budget of \$10.341 million gross and \$9.241 million net be approved.”

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Business Support Services, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Business Support Services

The Business Support Services' 2006 Proposed Operating Budget of \$10.619 million gross and \$9.283 million net, comprised of the following service be approved:

Service:	Gross (\$000s)	Net (\$000s)
Business Support Services	<u>10,618.9</u>	<u>9,282.8</u>
Total Program Budget	<u>10,618.9</u>	<u>9,282.8</u>

1.16 CITY PLANNING

A. Adopt Recommendation (1) of the 2006 Operating Budget recommendations for City Planning, as contained in the Analyst Briefing Notes, subject to:

- (i) reducing the budget in the amount of \$85.3 thousand gross and net to be achieved through gapping and \$60.0 thousand gross and net to be achieved through a reduction in discretionary expenses; and
- (ii) deferring the hiring of five new staff for the Improving the Planning Process Initiative until the last quarter of 2006, for an additional savings of \$100,000.00;
- (iii) confirming the funding of \$15,000 for the Green Roof Promotion, with the corresponding decrease in the Parks, Forestry and Recreation Budget for Urban Forestry;
- (iv) not recommending the new request for Green Development Standards in the amount of \$20.0 thousand gross and net; and
- (v) increasing the budget in the amount of \$40.0 thousand gross and \$0 net for the "Lights Out Toronto" Campaign with spending authority contingent upon receipt of all third party funding to complete the project,

resulting in a 2006 Operating Budget of \$31.939 million gross and \$13.195 million net;

B. adopt the following Recommendations (2) and (3) of the 2006 Proposed Operating recommendations for City Planning, as contained in the Analyst Briefing Notes:

- "(2) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget Process on a phased approach to increasing

Community Planning and other Development Application Process Fees in the future that will allow for full cost recovery for all city-wide costs related to the processing of community planning and development applications; and

- (3) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget Process on the achievements of the one-window approach to the collection of fees under the Development Application Review Project 2006 work plan.”;

C. adopt staff recommendations (1), (2), (3), (4), (5) and (7) contained in the Recommendations Section of the report (November 18, 2005) from Deputy City Manager Fareed Amin, entitled “Proposed 2006 Development Application Process Fee Increases”, as recommended by the Planning and Transportation Committee and the Works Committee:

- “(1) Community Planning application fees be increased by 18.2 percent on April 1, 2006, in order to recover 100 percent of the 2006 base budget costs of the City Planning Division associated with the development review process and to fund the continuation of the full-time staff required in the Technical Services and the Parks, Forestry and Recreation Divisions for the processing of applications and the ongoing design, co-ordination and implementation of improvements to the planning application review process, as well as fund the 2006 new requests for four site plan administrators, the cost of an outside consultant to refine the determination of the full cost of processing planning applications and the costs to improve the planning process;
- (2) Committee of Adjustment fees continue to be subject to cost of living increases only, as currently determined by the amount of the percentage increase in the All Items Index of the Consumer Price Index for the Toronto Census Metro Area, published by Statistics Canada during the 12-month period ending on October 1, as set out in Section 441-11 of the Toronto Municipal Code;
- (3) engineering fees for subdivision applications be increased from 3 percent of municipal infrastructure cost to 5 percent of municipal infrastructure cost effective April 1, 2006;
- (4) engineering fees for site plan and rezoning applications be introduced in the amount of 5 percent of municipal infrastructure cost effective April 1, 2006;

- (5) the Deputy City Manager report to the Planning and Transportation Committee and the Works Committee prior to the 2007 budget process on a phased approach to increasing community planning and other development application process fees in the future that will allow for full cost recovery for all application processing related costs;
- (7) the City Solicitor be directed to prepare the necessary bills to give effect to these recommendations, to be effective April 1, 2006.”,

subject to deleting Part (ii) of the Committees’ recommendations:

- “(ii) the professional facilitators for community consultation meetings, referred to in section 4.3 of the report from Deputy City Manager Fareed Amin, be hired in conjunction with the Affordable Housing Office.”; and

D. adopt the following staff Recommendations (1), (2), (3), (4), (5) and (7) in the Recommendations Section of the report (February 13, 2006) from the Chief Planner and Executive Director, City Planning Division, entitled “Specifics of the Initial ‘Lights Out Toronto’ Campaign to Raise Awareness of the Spring and Fall Migratory Bird Seasons”, which includes the incorporation of an additional \$40.0 thousand gross revenue for a \$0 net impact to the City Planning 2006 Operating Budget with spending authority contingent upon receipt of all third party funding to complete the project:

- “(1) City Council adopt a pilot program for a “Lights Out Toronto” campaign to run twice in 2006, corresponding with the spring and fall migratory seasons, that advocates and encourages the turning off of lighting, when not needed, through ads on TTC vehicles, brochures and other effective advertising media;
- (2) City Council authorize the acceptance of third party contributions to be used to undertake the “Lights Out Toronto” public awareness campaign from migratory bird stakeholders and partners including Canadian Wildlife Service, Toronto Hydro and the Fatal Light Awareness Program (FLAP) and other potential donors;
- (3) City Council authorize the entering of an agreement with the Canadian Wildlife Service in order to accept their third party donation of \$15.0 thousand to be used for the “Lights Out Toronto Campaign”;
- (4) the Chief Planner and Executive Director, City Planning, when reporting back as requested in one-year’s time on progress made including a review of daytime strikes and an investigation of light pollution policies and by-laws enacted in other jurisdictions, that such report also include a review of the success of the 2006 “Lights Out Toronto” pilot program and the involvement and role of the City in subsequent “Lights Out Toronto” campaigns;

- (5) the 2006 Proposed Operating Budget for City Planning be increased by \$40,000, offset by revenue from third party contributions for an equal amount, for a \$0 net impact on the 2006 Proposed Operating Budget; and spending authority be contingent upon receipt of all third party funding required to complete the project;
- (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Action taken by the Committee:

The Budget Advisory Committee received the communication (November 8, 2005) from the City Clerk, entitled “Planning and Transportation Committee Report 9, Clause 1 – Review of Business Licensing Fees”, in that the fees have been included in the 2006 Operating Budget.

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee:

- (i) recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for City Planning, as contained in the Analyst Briefing Notes; and
- (ii) requested the Budget Advisory Committee to consider funding the proposed Cycling Education Awareness Program in the amount of \$100,000.00 in 2007, subject to at least 50 percent of the funding being from external sources, including but not limited to, assistance from other orders of government and private sector sponsorships.

Operating Recommendations contained in the Analyst Briefing Notes for City Planning

- (1) The City Planning’s 2006 Proposed Operating Budget of \$32.164 million gross and \$13.460 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
City Planning	32,163.9	13,460.4
Total Program Budget	32,163.9	13,460.4

- (2) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget Process on a phased approach to increasing Community Planning and other Development Application Process Fees in the future that will allow for full cost recovery for all city-wide costs related to the processing of community planning and development applications; and

- (3) the Deputy City Manager responsible for City Planning report to the Planning and Transportation Committee and the Works Committee prior to the 2007 Budget Process on the achievements of the one-window approach to the collection of fees under the Development Application Review Project 2006 work plan.

1.17 CLEAN AND BEAUTIFUL CITY SECRETARIAT

Adopt the 2006 Proposed Operating Budget Recommendations for the Clean and Beautiful City Secretariat, as contained in the Analyst Briefing Notes, as amended on February 9, 2006, in the amount of \$343.2 thousand gross and net, subject to:

- (i) reducing the request from Planning and Transportation Committee to continue Neighbourhood Beautification Program in 2006 by \$25.95 thousand resulting in a non-staffing cost of \$120.75 thousand for the Program in 2006; and
- (ii) adding the following Recommendation (2)(c) and renumbering the balance of the recommendations accordingly,
 - “(c) the Deputy City Manager, responsible for the Clean and Beautiful City Secretariat, be requested to fill one Project Officer position by secondment to support the Neighbourhood Beautification Program in 2006;”;

resulting in a revised net budget of \$317.25 thousand, so that the Recommendations now read as follows:

- “(1) the Clean and Beautiful City Secretariat’s 2006 Proposed Operating Budget of \$0.317 million gross and net be approved;
- (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;
 - (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; and
 - (c) be requested to fill one Project Officer position by secondment to support the Neighbourhood Beautification Program in 2006.”

Action taken by the Committee:

The Budget Advisory Committee:

- (a) referred the following motion (1) in the communication (January 24, 2006) from Deputy Mayor Sandra Bussin, Chair, back to the Roundtable on a Beautiful City for further consideration:
 - “(1) that the City reconsider the 2 percent parks levy in commercial and industrial developments and that that money be dedicated exclusively towards ravine restoration”;
- (b) received motion (2) in the communication (January 24, 2006) from Deputy Mayor Sandra Bussin, Chair, Roundtable on a Beautiful City; and
- (c) received the communication (January 24, 2006) from Deputy Mayor Sandra Bussin, Chair, Roundtable on a Beautiful City and referred Motion 3 to wrap-up.

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee:

- (i) recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for the Clean and Beautiful City Secretariat, as contained in the Analyst Briefing Notes; and
- (ii) requested that the Budget Advisory Committee consider funding the non-staffing costs of \$146,700 for the continuation of the Neighbourhood Beautification Program in 2006, and further that the staffing costs of \$237,100 for two positions for this program not be approved.

Operating Recommendations contained in the Analyst Briefing Notes for the Clean and Beautiful City Secretariat

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

Service:	Gross (\$000s)	Net (\$000s)
Clean and Beautiful City Secretariat	197.0	197.0
Total Program Budget	197.0	197.0

- (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 Neighborhood 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.

1.18 FIRE SERVICES

- A. Adopt the 2006 Operating Budget for Fire Services as contained in the Analyst Briefing Notes, in the amount of \$314.565 million gross and \$306.638 million net, subject to the following amendments:
 - (a) confirming the False Alarm Fee increase in the amount of \$2.123 million; and
 - (b) providing for one position in support of the False Alarm Fee change for a total of \$56,300 gross and net;
 - (c) reversing the February 8, 2006 Budget Advisory Committee decision to provide within Fire Services' Budget for \$0.828 million gross and net as an anticipated credit to Toronto Community Housing Corporation;
 - (d) increasing the 2006 Operating Budget of Shelter, Support and Housing Administration in order to offset charges to Toronto Community Housing Corporation for False Alarm Fee Changes in the amount of \$0.828 million gross and net;
 - (e) including a Technical Adjustment for the cost of fitness equipment for fire stations funded from the Fire Equipment Reserve in the amount of \$0.200 million gross; and
 - (f) request Fire Services to implement additional discretionary expenditure reductions of \$0.500 million, excluding negotiated Collective Agreement salary and benefit increases;

resulting in a 2006 Operating Budget of \$314.209 million gross and \$306.081 million net;
- B. adopt the following Recommendation (4) of the 2006 Proposed Operating Budget recommendations for Fire Services, as contained in the Analyst Briefing Notes:

- “(4) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee prior to the 2007 Budget process on the progress of discussions with the Provincial government on the recovery of Toronto Fire Services’ costs in providing highway assistance in emergency situations;”; and
- C. receive the following Recommendation (2) of the Analyst Briefing Notes for Fire Services:
- “(2) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee during the 2006 Operating Budget process with additional reduction options that include the impact of reducing fire crews in service, service locations and number of trucks removed out of service to reduce the budget to a target of 2 percent over the 2005 Approved Operating Budget inclusive of Cost of Living Adjustment (COLA) estimates;”.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Fire Services, as contained in the Analyst Briefing Notes, subject to:

- (i) deleting Recommendations (2) and (3) and renumbering the remaining Recommendations accordingly; and
- (ii) deleting the false alarm fee net revenue increase of \$2.010 million as this revenue source does not exist.

Operating Recommendations contained in the Analyst Briefing Notes for Fire Services

- (1) The Toronto Fire Services 2006 Proposed Operating Budget of \$314.565 million gross and \$306.638 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Fire-Operations	251,151.0	244,589.1
Fire Prevention and Public Safety	12,321.4	12,021.4
Communications and Operational Support	26,265.7	25,774.6
Professional Develop. and Mechanical Support	21,483.7	20,909.2
Fire – Headquarters	3,343.5	3,343.5
Total Program Budget	<u>314,565.3</u>	<u>306,637.8</u>

- (2) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee during the 2006 Operating Budget process with additional reduction options that include the impact of reducing fire crews in service, service

locations and number of trucks removed out of service to reduce the budget to a target of 2 percent over the 2005 Approved Operating Budget inclusive of Cost of Living Adjustment (COLA) estimates;

- (3) increases in false alarm fees be approved consistent with the schedule of charging for false alarms at the second emergency call instead of at the third emergency call in a two month or yearly period, which ever comes first, and that staff be authorized to amend the bylaw as required; and
- (4) the Chief and General Manager of Toronto Fire Services report to the Budget Advisory Committee prior to the 2007 Budget process on the progress of discussions with the Provincial government on the recovery of Toronto Fire Services' costs in providing highway assistance in emergency situations.

1.19 MUNICIPAL LICENSING AND STANDARDS

Adopt the 2006 Proposed Operating Budget Recommendations for Municipal Licensing and Standards, as contained in the Analyst Briefing Notes, which includes the following net zero New and Enhanced Service request:

- Licensing of Livery Vehicles in the City of Toronto (\$247.5 thousand gross and (\$152.5) thousand net; 3.0 permanent positions),

subject to:

- (i) amending Recommendation (1) by reducing the budget in the amount of \$368.0 thousand gross and net to be achieved by a delay in filling six vacant Municipal Licensing and Standards Officer base budget positions in the area of Investigations with no impact to service delivery;
- (ii) deleting the following Recommendations (2) and (3) and renumbering the balance of the recommendations accordingly:
 - “(2) the Deputy City Manager responsible for Municipal Licensing and Standards report to the Budget Advisory Committee in January 2006 on the potential for the recovery of sign permits and variance enforcement costs in accordance with the Sign By-law; and
 - (3) the Executive Director of Municipal Licensing and Standards report back to the Budget Advisory Committee in February 2006 addressing the potential service efficiencies arising from the consolidation of Municipal Licensing and Standards services at East York Civic Centre;”,

resulting in a revised budget of \$28,821.5 thousand gross and \$4,540.7 thousand net, so that the recommendations now read as follows:

- “(1) the Municipal Licensing and Standards' 2006 Proposed Operating Budget of \$28.822 million gross and \$4.541 million net be approved;

- (2) the funding for the 2 new requests for the by-law enforcement component of “Multi-Unit Residential Waste Reduction Levy” and “Mandatory Waste Diversion By-law of Single Family Residences” be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the co-ordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;
- (3) the 2006 Operating Budget for the Solid Waste Management Services by-law enforcement component, once approved, be transferred to the Municipal Licensing and Standards Division;
- (4) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to the Municipal Licensing and Standards Division;
- (5) the Deputy City Manager responsible for Municipal Licensing and Standards, continue to review functions within Municipal Licensing and Standards, Building Services, and City Planning to find ways to integrate initiatives and report back prior to the 2007 budget process on any resultant savings and service improvements realized; and
- (6) the Executive Director of Municipal Licensing and Standards monitor enforcement costs of licences and report back to the Budget Advisory Committee prior to the 2007 budget addressing whether the licensing fee increase was sufficient to address 100 percent cost recovery for enforcement, as authorized under the *Municipal Act*.”

Action taken by the Committee:

The Budget Advisory Committee received the communication (November 8, 2005) from the City Clerk, entitled “Planning and Transportation Committee Report 9, Clause 1 – Review of Business Licensing Fees”.

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Municipal Licensing and Standards, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Municipal Licensing and Standards

- (1) The Municipal Licensing and Standards' 2006 Proposed Operating Budget of \$29.190 million gross and \$4.909 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Municipal Licensing and Standards	29,189.5	4,908.7
Total Program Budget	29,189.5	4,908.7

- (2) the Deputy City Manager responsible for Municipal Licensing and Standards report to the Budget Advisory Committee in January 2006 on the potential for the recovery of sign permits and variance enforcement costs in accordance with the Sign By-law;
- (3) the Executive Director of Municipal Licensing and Standards report back to the Budget Advisory Committee in February 2006 addressing the potential service efficiencies arising from the consolidation of Municipal Licensing and Standards services at East York Civic Center;
- (4) the funding for the two new requests for the by-law enforcement component of "Multi-Unit Residential Waste Reduction Levy" and "Mandatory Waste Diversion By-law of Single Family Residences" be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;
- (5) the 2006 Operating Budget for the Solid Waste Management Services by-law enforcement component, once approved, be transferred to the Municipal Licensing and Standards Division;
- (6) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to the Municipal Licensing and Standards Division;
- (7) the Deputy City Manager responsible for Municipal Licensing and Standards, continue to review functions within Municipal Licensing and Standards, Building Services, and City Planning to find ways to integrate initiatives and report back prior to the 2007 budget process on any resultant savings and service improvements realized; and

- (8) the Executive Director of Municipal Licensing and Standards monitor enforcement costs of licenses and report back to the Budget Advisory Committee prior to the 2007 budget addressing whether the licensing fee increase was sufficient to address 100 percent cost recovery for enforcement, as authorized under the *Municipal Act*.

1.20 SOLID WASTE MANAGEMENT SERVICES

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Solid Waste Management Services, as contained in the Analyst Briefing Notes, subject to the following amendments:

- (i) amending Recommendation (1) by:
 - (a) reducing the gross expenditure budget in the amount of \$1,215.0 thousand and increasing revenue in the amount of \$1,800.0 thousand for increased Waste Diversion Ontario funding, resulting in a net decrease of \$3,015.0 thousand;
 - (b) increasing the budget in the amount of \$4,200.0 thousand to cover the increased Solid Waste Management Services haulage costs approved by City Council on January 31, February 1 and 2, 2006; and
- (ii) amending Recommendation (5) to read as follows:

“(5) the \$3.166 million contribution from the 2006 Operating Budget to the Perpetual Care of Landfill Reserve Fund be deferred;”,

resulting in a revised budget \$230.076 million gross and \$174.841 million net, so that the recommendations now read as follows:

- “(1) the Solid Waste Management Services 2006 Proposed Operating Budget of \$230.076 million gross and \$174.841 million net be approved;
- (2) Solid Waste Management Services report back to the Works Committee in March 2006 with respect to emerging issues that have costs/risks associated with the potential border closing to Toronto’s waste and contract renegotiations;
- (3) the funding for the 2 new requests for the by-law enforcement component of “Multi-Unit Residential Waste Reduction Levy” and “Mandatory Waste Diversion By-Law of Single Family Residences” be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the co-ordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;

- (4) the 2006 Operating Budget for the Solid Waste Management Services by-law enforcement component, once approved, be transferred to the Municipal Licensing and Standards Division;
 - (5) the \$3.166 million contribution from the 2006 Operating Budget to the Perpetual Care of Landfill Reserve Fund be deferred;
 - (6) the General Manager, Solid Waste Management Services, report back to the Works Committee in March 2006 with the implications of how Council decisions that have been made since June 2005 may have an impact on the Program's ability to meet the 2008 to 2012 Diversion targets and time lines, as outlined in its Council-approved Business Plan (approved in June 2005), as well as the financial impacts of these decisions on the City; and
 - (7) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to the Municipal Licensing and Standards Division.”; and
- (B) adopt the staff recommendations in the Recommendations Section of the report (February 1, 2006) from Deputy City Manager Fareed Amin and the Deputy City Manager and Chief Financial Officer, entitled “Adequacy of Solid Waste Management Perpetual Care Reserve Fund”, as follows:
- “It is recommended that:
- (1) should there be a surplus in the 2005 Solid Waste Management Services operating program, the Deputy City Manager and Chief Financial Officer report on whether any or all of this surplus should be transferred to the Solid Waste Management Perpetual Care Reserve Fund;
 - (2) the planned 2006 Solid Waste Management Services operating program contribution to the Solid Waste Management Perpetual Care Reserve Fund be deferred and a contribution of up to \$3,435,000.00 be included in the 2007 Solid Waste Management Services operating budget submission; and
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”; and
- C. receive the following New and Enhanced Services contained in the recommendations of the Works Committee for Solid Waste Management Services:

- Multi-Unit Waste Reduction Program to be operated on a cost-recovery basis;
- Enforcement of the Mandatory Waste Diversion By-law; and
- Waste Bag Reduction Limit from 6 to 5 Bags.

Works Committee Recommendations

The Works Committee:

- (a) recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Solid Waste Management Services, as contained in the Analyst Briefing Notes;
- (b) supported in principle the following motion by Councillor De Baeremaeker and directed that it be forwarded to the Budget Advisory Committee for consideration, with a request that the General Manager, Solid Waste Management Services report to the Budget Advisory Committee on whether the motion is consistent with the report adopted by City Council on July 19, 20, 21 and 26, 2005, headed "Implementation of Multi-Unit Waste Reduction Levy":

"That the General Manager, Solid Waste Management Services be directed to ensure that the Multi-Unit Waste Reduction Levy contained in the New and Enhanced Category of the 2006 Solid Waste Management Services Budget be operated on a cost-recovery basis."; and

- (c) supported in principle the following motion by Councillor De Baeremaeker and directed that it be forwarded to the Budget Advisory Committee for consideration:

"That the Solid Waste Management Services Operating Budget be increased by adding the following New and Enhanced Services:

- (i) Enforcement of Mandatory Waste Diversion By-law in the amount of \$359.2 thousand gross and net; and
- (ii) Waste Bag Reduction Limit from 6 to 5 Bags in the amount of \$305.8 thousand gross and net."

Operating Recommendations contained in the Analyst Briefing Notes for Solid Waste Management Services

- (1) The Solid Waste Management Services' 2006 Proposed Operating Budget of \$227.091 million gross and \$173.656 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Program Support	30,152.2	19,316.7
Collection	95,291.1	92,110.9
Transfer	24,480.6	12,752.8
Processing	31,149.1	9,096.4
Disposal	<u>46,018.4</u>	<u>40,378.8</u>
Total Program Budget	<u>227,091.4</u>	<u>173,655.6</u>

- (2) Solid Waste Management Services report back to the Works Committee in March 2006 with respect to emerging issues that have costs/risks associated with the potential border closing to Toronto's waste and contract renegotiations;
- (3) the funding for the two new requests for the by-law enforcement component of "Multi-Unit Residential Waste Reduction Levy" and "Mandatory Waste Diversion By-law of Single Family Residences" be deferred for consideration with the 2007 Operating Budget process, and that the Deputy City Manager responsible for Solid Waste Management Services report back to the Works Committee by June 2006, on the coordination, implementation, and timing for the introduction of by-law enforcement of waste collection activities in the most effective and efficient way possible given existing available resources;
- (4) the 2006 Operating Budget for the Solid Waste Management Services by-law enforcement component, once approved, be transferred to the Municipal Licensing and Standards Division;
- (5) the \$3.166 million contribution from the 2006 Operating Budget to the Perpetual Care of Landfill Reserve Fund be deferred for consideration pending report back from:
 - (a) the General Manager, Solid Waste Management Services, to the Budget Advisory Committee in February 2006 on the operational implications of not making a contribution in 2006 to the reserve fund, given the adequacy of the reserve fund; and
 - (b) the Deputy City Manager/Chief Financial Officer to the Budget Advisory Committee in February 2006 on whether any source of funding is available for a 2006 reserve fund contribution;
- (6) the General Manager, Solid Waste Management Services, report back to the Works Committee in March 2006 with the implications of how Council decisions that have been made since June 2005 may have an impact on the Program's ability to meet the 2008 to 2012 Diversion targets and time lines, as outlined in its

Council-approved Business Plan (approved in June 2005), as well as the financial impacts of these decision on the City; and

- (7) the Deputy City Manager responsible for Solid Waste Management Services and the Municipal Licensing and Standards Division report back to the Works Committee and the Planning and Transportation Committee prior to the start of the 2007 budget process with a proposal for the transfer of the total integrated by-law enforcement component from Solid Waste Management Services to the Municipal Licensing and Standards Division.

1.21 TECHNICAL SERVICES

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Technical Services, as contained in the Analyst Briefing Notes, subject to amending Recommendation (1) by reducing the budget in the amount of \$255.0 thousand gross and net for additional gapping, resulting in a revised net budget amount of \$4,896.6 thousand, so that the recommendations now read as follows:
 - “(1) the Technical Services’ 2006 Proposed Operating Budget of \$60.585 million gross and \$4.897 million net be approved;
 - (2) the New Service Request for the Delivery of Green Toronto Awards Program be approved, and that the 2006 required funding of \$0.060 million be absorbed within the Technical Services’ 2006 Proposed Operating Budget; and
 - (3) any adjustments to Technical Services’ 2006 Proposed Operating Budget made through the political review process be made in Technical Services’ clients’ operating budgets after Council approval of the 2006 Operating Budget.”; and
- B. receive the following New and Enhanced Services for Technical Services, referred by the Works Committee for consideration:
 - GIS Mapping for Critical Infrastructure Program (Survey and Mapping);
 - Emergency Management Software; and
 - CBRN Support – Clerical/Admin. Staff.

Action taken by the Committee:

The Budget Advisory Committee received the communication (October 3, 2005) from the City Clerk, entitled “Policy and Finance Committee Report 8, Clause 36 Request to Technical Services to Examine the Cumulative Air Quality Impact of Emissions from Sources in the South Riverdale and Beaches Communities (Wards 30 and 32)”.

Works Committee Recommendations

The Works Committee:

- (a) recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Technical Services, as contained in the Analyst Briefing Notes;
- (b) referred the following New and Enhanced Services to the Budget Advisory Committee for consideration, with a request that the Executive Director, Technical Services report to the Budget Advisory Committee on possible offsets for these services:
 - GIS Mapping for Critical Infrastructure Program (Survey and Mapping) in the amount of \$74.2 thousand gross, \$14.9 thousand net;
 - Emergency Management Software in the amount of \$50.0 thousand gross, \$30.0 thousand net; and
 - CBRN Support – Clerical/Admin. Staff in the amount of \$55.3 thousand gross, \$0.0 net.

Operating Recommendations contained in the Analyst Briefing Notes for Technical Services

- (1) The Technical Services' 2006 Proposed Operating Budget of \$60.840 million gross and \$5.152 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Facilities and Structures	8,881.7	6,651.5
Survey and Mapping	18,008.7	6,887.6
Environmental Services	2,307.3	2,266.0
Development Engineering	5,451.6	3,306.6
District Engineering	18,506.8	7,835.4
Office of Emergency Management	2,286.0	1,633.2
Program Administration	587.5	587.5
Support Services	4,810.8	4,810.8
Inter-Divisional Charges		(28,827.0)
Total Program Budget	<u>60,840.4</u>	<u>5,151.6</u>

- (2) the New Service Request for the Delivery of Green Toronto Awards Program be approved, and that the 2006 required funding of \$0.060 million be absorbed within the Technical Services' 2006 Proposed Operating Budget; and
- (3) any adjustments to Technical Services' 2006 Proposed Operating Budget made through the political review process be made in Technical Services' clients' operating budgets after Council approval of the 2006 Operating Budget.

1.22 TRANSPORTATION SERVICES

- A. Adopt the following 2006 Operating Budget recommendations for Transportation Services, as contained in the Analyst Briefing Notes, subject to amending Recommendation (1) by:

- (i) reducing the budget in the amount of \$2,116.2 thousand net including:
 - (1) reducing the budget in the amount of \$469.6 thousand gross and net for the following three new enhancements of the Clean and Beautiful Phase 2 initiative:
 - implementing the seventh grass cut;
 - enhanced roadway cleaning around parked cars; and
 - implementation of mechanical weed control of roadside areas;
 - (2) reducing the budget in the amount of \$976.7 thousand gross and net for utilities, material and equipment and road flushing;
 - (3) reducing the budget in the amount of \$269.9 thousand gross and net for increased gapping; and
 - (4) increasing the revenue estimate for Publication Box Strategy in the amount of \$400 thousand;
- (ii) receiving the following New and Enhanced Service requests recommended by the Works Committee:
 - Sidewalk Repair Backlog – Scarborough District in the amount of \$200.0 thousand gross and net; and
 - Mechanical Street Sweeping – Scarborough District in the amount of \$300.0 thousand gross and net;

and further that the General Manager, Transportation Services be requested to ensure that outcomes are standardized across the City with respect to the Sidewalk Repair Backlog and Mechanical Street Sweeping;

(iii) including the following New and Enhanced Service requests:

- Publication Box Strategy in the amount of \$344.6 thousand gross, (\$819.4 thousand) net;
- Red Light Camera Expansion in the amount of \$530.9 thousand gross, \$181.9 thousand net;
- Inspection of Utility Cuts in the amount of \$465.3 thousand gross, (\$102.4 thousand) net;
- Increasing the establishment by the following positions at net zero cost:
 - 1 Financial Analyst – Traffic Management; and
 - 1 Support Assistant – Infrastructure Management;

(iv) including \$406,700 gross and net for the enhancement of cleaning and maintenance of orphaned spaces in areas such as near expressway ramps, roadsides and boulevards (see also Clean and Beautiful City),

resulting in a revised net budget of \$187,649.1 thousand, so that the recommendation now reads as follows:

“It is recommended that the Transportation Services 2006 Proposed Operating Budget of \$285.521 million gross and \$187.649 million net be approved;” and

B. receive the following recommendations of the Works Committee with respect to 2006 Pedestrian Sundays in Kensington Market:

“That:

- (1) the 2004 City’s contribution of \$22,289.00 be reduced to \$14,000.00 for the 2006 Pedestrian Sundays in Kensington Market, and that this cost be absorbed within the Transportation Services Budget; and
- (2) the General Manager, Transportation Services be requested to establish a staff working group to continue to work with the Kensington Market Community to implement the 2006 Pedestrian Sundays in Kensington Market.”

Action taken by the Committee:

The Budget Advisory Committee received the communication (February 2, 2006) from the East Toronto Climate Action Group in support of Pedestrian Sundays in Kensington Market.

Works Committee Recommendations

The Works Committee:

- (a) recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Transportation Services, as contained in the Analyst Briefing Notes, subject to increasing the budget by adding the following New and Enhanced Services:
 - (i) Sidewalk Repair Backlog, Scarborough District in the amount of \$200.0 thousand gross, \$200.0 thousand net; and
 - (ii) Mechanical Street Sweeping – Scarborough District in the amount of \$300.0 thousand gross, \$300.0 thousand net; and
- (b) referred the following motion to the Budget Advisory Committee for consideration at wrap-up:

“That:

- (1) the 2004 City’s contribution of \$22,289.00 be reduced to \$14,000.00 for the 2006 Pedestrian Sundays in Kensington Market, and that this cost be absorbed within the Transportation Services Budget; and
- (2) the General Manager, Transportation Services be requested to establish a staff working group to continue to work with the Kensington Market Community to implement the 2006 Pedestrian Sundays in Kensington Market.”

Operating Recommendations contained in the Analyst Briefing Notes for Transportation Services

The Transportation Services’ 2006 Proposed Operating Budget of \$287.237 million gross and \$189.765 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Roadway Services	129,038.0	91,958.2
Roadside Services	57,936.8	24,220.3
Traffic Planning / Row Mgmt	11,229.7	(5,927.3)
Traffic & Safety Services	50,015.8	45,803.2
Infrastructure Management	14,892.3	12,576.3
District Mgmt & Overhead	1,268.1	(1,631.9)
Technical and Program Support	22,766.4	22,766.4
Total Program Budget	<u>287,237.1</u>	<u>189,765.3</u>

1.23 WATERFRONT SECRETARIAT

Adopt the 2006 Proposed Operating Budget Recommendations for the Waterfront Secretariat, as contained in the Analyst Briefing Notes, subject to amending Recommendation (1) by reducing the budget in the amount of \$2.0 thousand net for discretionary expenditures, resulting in a revised net budget of \$826.8 thousand, so that the recommendations now read as follows:

- “(1) the Waterfront Secretariat’s 2006 Proposed Operating Budget of \$0.994 million gross and \$0.827 million net be approved;
- (2) the required 2006 funding of \$0.047 million included in the 2006 Proposed Operating Budget for Waterfront Secretariat for the temporary Technical Co-ordinator position, be funded from within the 2006 Approved cash flow for the Waterfront Revitalization Initiative Capital Budget; and that the 2007 incremental impact of \$0.033 million be funded from within the projected cash flow for the Waterfront Revitalization Capital Budget in 2007.”

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for the Waterfront Secretariat, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the Waterfront Secretariat

- (1) The Waterfront Secretariat’s 2006 Proposed Operating Budget of \$0.996 million gross and \$0.829 million net for the following service, be approved.

Service:	Gross (\$000s)	Net (\$000s)
Waterfront Secretariat	995.5	828.8
Total Program Budget	995.5	828.8

- (2) the required 2006 funding of \$0.047 million included in the 2006 Proposed Operating Budget for Waterfront Secretariat for the temporary Technical Co-ordinator position, be funded from within the 2006 Approved cash flow for the Waterfront Revitalization Initiative Capital Budget; and that the 2007 incremental impact of \$0.033 million be funded from within the projected cash flow for the Waterfront Revitalization Capital Budget in 2007.

INTERNAL SERVICES

1.24 OFFICE OF THE DEPUTY CITY MANAGER AND CHIEF FINANCIAL OFFICER

Adopt the 2006 Proposed Operating Budget Recommendations for the Office of the Deputy City Manager and Chief Financial Officer, as contained in the Analyst Briefing Notes:

“It is recommended that the Office of the Deputy City Manager and Chief Financial Officer’s 2006 Proposed Operating Budget of \$16.908 million gross and \$13.461 million net, be approved.”,

subject to reducing the budget in the amount of \$22.4 thousand.

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for the Office of the Deputy City Manager and Chief Financial Officer, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the Office of the Deputy City Manager and Chief Financial Officer

The Office of the Deputy City Manager and Chief Financial Officer’s 2006 Proposed Operating Budget of \$16.908 million gross and \$13.461 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Support Services	1,340.2	1,173.9
Corporate Finance	3,542.0	1,454.4
Financial Planning	4,607.9	3,765.4
Special Projects	447.4	447.4
Service Improvement and Innovation	6,970.8	6,620.2
Total Program Budget	<u>16,908.3</u>	<u>13,461.3</u>

1.25 OFFICE OF THE TREASURER

Adopt the 2006 Proposed Operating Budget Recommendations for the Office of the Treasurer, as contained in the Analyst Briefing Notes:

“It is recommended that the Office of the Treasurer’s 2006 Proposed Operating Budget of \$63.212 million gross and \$30.932 million net, be approved.”,

subject to reducing the budget in the amount of \$69.7 thousand.

Action taken by the Committee:

The Budget Advisory Committee received the communication (December 15, 2005) from the City Clerk, entitled "User Fees: Parking Tag Operations".

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for the Office of the Treasurer, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the Office of the Treasurer

The Office of the Treasurer's 2006 Proposed Operating Budget of \$63.212 million gross and \$30.932 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Pension, Payroll and Employee Benefits	11,251.8	9,645.1
Purchasing and Materials Management	8,342.5	6,630.2
Accounting Services	11,173.5	8,846.7
Revenue Services	<u>32,444.2</u>	<u>5,810.0</u>
Total Program Budget	<u><u>63,212.0</u></u>	<u><u>30,932.0</u></u>

1.26 CORPORATE COMMUNICATIONS

Adopt the 2006 Proposed Operating Budget Recommendations for Corporate Communications, as contained in the Analyst Briefing Notes:

"It is recommended that Corporate Communications' 2006 Proposed Operating Budget of \$7.199 million gross and \$7.078 million net, comprised of the following services, be approved.",

subject to the following amendments:

- (i) Corporate Communications' Clean and Beautiful funding in the amount of \$125.0 thousand for the Clean and Beautiful initiative being absorbed within the Communications Budgets for Solid Waste Management Services (\$41,667), Transportation Services (\$41,666) and Parks, Forestry and Recreation (\$41,666); and that these amounts be shown as recoveries to the Corporate Communications 2006 Operating Budget, resulting in a net reduction of \$125,000 in the Corporate Communications Budget and no net change to Solid Waste Management Services, Transportation Services and Parks, Forestry and Recreation; and

- (ii) reducing the budget by \$9.1 thousand.

Action taken by the Committee:

The Budget Advisory Committee received the communication (August 2, 2005) from the City Clerk, entitled “Metroland Publishing Open Contract 47009067 Globe and Mail Open Contract 47009074”.

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Corporate Communications, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Corporate Communications

The Corporate Communications’ 2006 Proposed Operating Budget of \$7.199 million gross and \$7.078 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Public Information	2,468.6	2,462.5
Creative Services	2,097.5	2,037.5
Corporate Communications and Media Services	<u>2,632.5</u>	<u>2,577.5</u>
Total Program Budget	<u><u>7,198.6</u></u>	<u><u>7077.5</u></u>

1.27 FACILITIES AND REAL ESTATE

Adopt the 2006 Proposed Operating Budget Recommendations for Facilities and Real Estate, as contained in the Analyst Briefing Notes:

“The Facilities and Real Estate 2006 Proposed Operating Budget of \$116.580 million gross and \$52.109 million net, be approved.”,

subject to:

- (i) reducing the budget by \$79.1 thousand; and
- (ii) increasing the revenues to reflect incremental impact of \$114,000 (\$150,000 for parking revenue less revenue recently received on those properties for other uses).

Action taken by the Committee:

The Budget Advisory Committee received the following communication (January 2, 2006) from Jane Beecroft, Community History Project, entitled “City Operating Budget 2006”.

Administration Committee Recommendations

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Facilities and Real Estate, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Facilities and Real Estate

The Facilities and Real Estate 2006 Proposed Operating Budget of \$ 116.580 million gross and \$52.109 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Facilities	103,332.5	63,857.1
Real Estate	13,247.7	(11,748.1)
	<u>116,580.2</u>	<u>(11,748.1)</u>
Total Program Budget	<u>116,580.2</u>	<u>52,109.0</u>

1.28 FLEET SERVICES

- A. Adopt Recommendation (1) of the 2006 Proposed Operating Budget Recommendations for Fleet Services, as contained in the Analyst Briefing Notes:

“It is recommended that Fleet Services’ 2006 Proposed Operating Budget of \$34.720 million gross and zero net, be approved.”,

subject to reducing the budget by \$22.8 thousand; and

- B. receive the following Recommendation (2) of the 2006 Proposed Operating Budget Recommendations for Fleet Services, as contained in the Analyst Briefing Notes:

“(2) the Executive Director of Fleet Services, together with the Chiefs of Police, Fire, and Emergency Medical Services, report back to the Budget Advisory Committee during the 2006 Operating Budget process on the viability of all divisions and ABCs participating in the Sole Source Supplier Contracts for Parts that Fleet Services is initiating, and any resultant savings.”

Action taken by the Committee:

The Budget Advisory Committee received the report (February 3, 2006) from the Chief Corporate Officer, entitled "Sole Source Supplier Contract for Parts", providing a response to the viability of all Divisions and ABCs participating in the Sole Source Supplier Contract for parts that Fleet Services has initiated and any potential savings.

Administration Committee Recommendations

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for Fleet Services, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for Fleet Services

- (1) The Fleet Services' 2006 Proposed Operating Budget of \$34.720 million gross and zero net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Fleet Operations	22,428.8	0.0
Fuel Operation	8,183.7	0.0
Fleet Safety	1,086.9	0.0
Asset Management	3,020.8	0.0
	<hr/>	<hr/>
Total Program Budget	34,720.2	0.0
	<hr/>	<hr/>

- (2) the Executive Director of Fleet Services, together with the Chiefs of Police, Fire, and Emergency Medical Services, report back to the Budget Advisory Committee during the 2006 Operating Budget process on the viability of all divisions and ABCs participating in the Sole Source Supplier Contracts for Parts that Fleet Services is initiating, and any resultant savings.

1.29 INFORMATION AND TECHNOLOGY

Adopt the 2006 Proposed Operating Budget Recommendations for Information and Technology, as contained in the Analyst Briefing Notes:

"It is recommended that Information and Technology's 2006 Proposed Operating Budget of \$51.807 million gross and \$43.221 million net, be approved.",

subject to reducing the budget by \$698.4 thousand.

Administration Committee Recommendations

The Administration Committee:

- (i) referred the 2006 Proposed Operating Budget recommendations for Information and Technology, as contained in the Analyst Briefing Notes to the Budget Advisory Committee; and
- (ii) requested the Director of Information and Technology to report to the Budget Advisory Committee on January 27, 2006, with options to meet the two percent target, such options to include alternate ways to fund the SAP competency centre costs for 2006.

Operating Recommendations contained in the Analyst Briefing Notes for Information and Technology

The Information and Technology's 2006 Proposed Operating Budget of \$51.807 million gross and \$43.221 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Applications Delivery	15,429.2	13,571.3
Desktop Computing	32,066.3	25,976.0
Land Information	3,175.2	2,960.4
Voice & Telecommunications	1,136.3	713.4
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Total Program Budget	51,807.0	43,221.1
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CITY MANAGER

1.30 CITY MANAGER'S OFFICE

Adopt the 2006 Proposed Operating Budget Recommendations for the City Manager's Office, as contained in the Analyst Briefing Notes:

"The 2006 Proposed Operating Budget for the City Manager's Office of \$6.542 million gross and \$6.011 million net, be approved.",

subject to reducing the budget by \$9.4 thousand.

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for City Manager's Office, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the City Manager's Office

The 2006 Proposed Operating Budget for the City Manager's Office of \$6.542 million gross and \$6.011 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Executive Management	1,642.3	1,642.3
Strategic and Corp. Policy/Healthy City Office	3,932.3	3,932.3
Internal Audit	<u>967.5</u>	<u>436.0</u>
Total Program Budget	<u>6,542.1</u>	<u>6,010.6</u>

1.31 HUMAN RESOURCES

Adopt the 2006 Proposed Operating Budget Recommendations for Human Resources, as contained in the Analyst Briefing Notes:

- “(1) that the Human Resources 2006 Proposed Operating Budget of \$29.683 million gross and \$27.848 million net, be approved; and
- (2) the Director of Human Resources report back to the Budget Advisory Committee on Human Resources restructuring implementation prior to the 2007 budget process”,

subject to reducing the budget by \$38.1 thousand.

Administration Committee Recommendations

The Administration Committee:

- (i) referred the 2006 Proposed Operating Budget recommendations for Human Resources, as contained in the Analyst Briefing Notes, to the Budget Advisory Committee; and
- (ii) requested the Executive Director of Human Resources to report to the Budget Advisory Committee meeting on January 27, 2006, with options to meet the two percent target, such options to include alternative options to fund external legal costs currently paid by Human Resources, in the amount of approximately \$400,000.

Operating Recommendations contained in the Analyst Briefing Notes for Human Resources

- (1) The Human Resources 2006 Proposed Operating Budget of \$29.683 million gross and \$27.848 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Employment Services	9,266.4	8,901.2
Organizational Behaviour	1,957.4	1,957.2
Employee and Labour Relations	4,081.5	3,853.6
Departmental Services	14,116.4	12,889.5
Fair Wage and Labour Trade Office	261.4	246.8
Total Program Budget	29,683.1	27,848.3

- (2) the Director of Human Resources report back to the Budget Advisory Committee on Human Resources restructuring implementation prior to the 2007 budget process.

OTHER CITY PROGRAMS

1.32 AUDITOR GENERAL'S OFFICE

Adopt the 2006 Proposed Operating Budget Recommendations for the Auditor General's Office, as contained in the Analyst Briefing Notes:

"The 2006 Recommended Operating Budget approved by Audit Committee for the Auditor General's Office of \$4.081 million gross and net, be approved.",
subject to:

- (i) reducing the budget by \$10.0 thousand; and
- (ii) decreasing the budget by \$190.3 thousand to reduce the additional staff recommended by Audit Committee from two positions to one position, to be implemented July 1, 2006.

Action taken by the Committee:

The Budget Advisory Committee received the communication (November 4, 2005) from the Audit Committee, entitled "Auditor General's Office – 2006 Budget".

Audit Committee Recommendations

The Audit Committee recommended that the 2006 Budget for the Auditor General's Office, attached to the report (October 19, 2005) from the Auditor General, be amended by increasing the program level of staff as considered appropriate by the Auditor General, and approved the 2006 Budget accordingly and requested that it be submitted to the Budget Advisory Committee for consideration.

Operating Recommendations contained in the Analyst Briefing Notes for the Auditor General's Office

The 2006 Recommended Operating Budget approved by Audit Committee for the Auditor General's Office of \$4.081 million gross and net, comprised of the following service, be considered by the Budget Advisory Committee:

Service:	Gross (\$000s)	Net (\$000s)
Auditor General's Office	<u>4,080.9</u>	<u>4,080.9</u>
Total Program Budget	<u><u>4,080.9</u></u>	<u><u>4,080.9</u></u>

1.33 CITY CLERK'S OFFICE

A. Adopt the 2006 Proposed Operating Budget Recommendations for the City Clerk's Office, as contained in the Analyst Briefing Notes:

- “(1) The City Clerk's Office 2006 Proposed Operating Budget of \$47.042 million gross and \$28.991 million net, be approved;
- (2) the City Clerk to report back to the Administration Committee before the start of the 2007 process on the operational impact on the City Clerk's Office arising from the new City of Toronto Act, the new governance structure for the City, and governance issues reported by the Bellamy Commission, and any financial implications and impact from these changes.”,

subject to reducing the budget by \$36.8 thousand;

B. adopt the following staff recommendations (1), (2) and (4) in the Recommendations Section of the report (November 4, 2005) from the City Clerk and the Chief Corporate Officer, entitled “Status Report on Maintaining Services at East York Civic Centre”, as recommended by the Administration Committee:

- “(1) that the intake of documents and payments for City Clerk’s Office, Registry Services functions be assumed by Revenue Services Division immediately;
 - (2) that the reception and information services at the East York Civic Centre, currently provided by Access Toronto, be assumed by the Revenue Services Division, once renovations to the building have been completed in the New Year;
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect hereto including the introduction of any necessary bills.”;
- C. adopt the following staff recommendations (3), (4), (5) and (6) in the Recommendations Section of the report (December 14, 2005) from the City Clerk, entitled “Establishing New Committees and Advisory Bodies – Resource Impact and Compliance with Section 108 of Council’s Procedure By-law”:
- “(3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;
 - (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:
 - (a) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;
 - (b) confirming the availability of resources to provide meeting support services;
 - (c) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;
 - (5) following adoption of policy contained in recommendation (4), the City Clerk’s Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement;
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;
- D. receive the following Recommendation (2) contained in the Recommendations Section of the report (December 14, 2005) from the City Clerk:

“(2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk’s Office 2006 Operating Budget;”;

E. the City Clerk’s Office cease to provide secretariat support to the following committees, effective May 1, 2006:

- (i) Task Force to Bring Back the Don;
- (ii) Aboriginal Affairs Committee;
- (iii) Disability Issues Committee;
- (iv) Food and Hunger Action Committee;
- (v) Tenant Defence Sub-Committee;
- (vi) Advisory Committee for Homes for the Aged;
- (vii) Toronto Centre for the Arts Board of Directors;
- (viii) Steeles Avenue Sub-Committee;
- (ix) Works Committee Community Partnership Sub-Committee;
- (x) Parc Downsview Park Operating Protocol Committee;
- (xi) Gardiner Lake Shore Corridor Task Force;

and that appropriate divisional program staff provide secretariat support to those committees effective May 1, 2006;

F. the City Clerk’s Office continue to provide secretariat support services to the following committees:

- (i) Mayor’s Economic Competitiveness Advisory Committee;
- (ii) Affordable Housing Committee;
- (iii) Community Partnership and Investment Program Appeals Sub-Committee; and
- (iv) Bellamy Recommendations Steering Committee; and

G. request the Provincial Government to:

- (a) compensate the loss of revenue in gaming and bingo to the City of Toronto, including individual charities; and
- (b) under the new *City of Toronto Act*, give authority to conduct a City of Toronto lottery to offset loss of revenue.

Action taken by the Committee:

The Budget Advisory Committee:

- (1) referred the following recommendation to the Council Procedures and Meeting Management Working Group:

“That the City Clerk be requested to include in the ongoing review of Council Procedures a requirement that all Notices of Motion submitted to City Council only be considered if they meet the regular agenda deadline (5 business days before the meeting).”.

Administration Committee Recommendations

The Administration Committee recommended that City Council:

- (i) adopt the 2006 Proposed Operating Budget recommendations for the City Clerk’s Office, as contained in the Analyst Briefing Notes;
- (ii) adopt the following staff recommendations in the Recommendations Section of the report (December 14, 2005) from the City Clerk:
 - “(2) the request by the City Clerk for one additional resource to support four new committees and advisory bodies established by Council be approved, conditional upon funding being approved in the City Clerk’s Office 2006 Operating Budget;
 - (3) City Council affirm that compliance with Section 108 of Chapter 27 of the Municipal Code, Council Procedures, shall be necessary prior to Council establishing any Committee, Task Force, Advisory Committee or Sub-Committee;
 - (4) City Council adopt a policy, as set out in Attachment B of this report, that prior to establishing a Special Committee, Task Force, Advisory Committee or Sub-Committee, the City Clerk will be required to provide an impact statement:
 - (a) advising that consultation with the City Clerk was undertaken with respect to the provision of any meeting support services for the proposed body;
 - (b) confirming the availability of resources to provide meeting support services;
 - (c) confirming compliance with Section 108 of Chapter 27 of the City of Toronto Municipal Code, Council Procedures;
 - (5) following adoption of policy contained in recommendation (4), the City Clerk’s Office not be required to provide meeting support services to any new Committee, Task Force, Advisory Committee or Sub-Committee for which the City Clerk has not submitted an impact statement;
 - (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.”;

- (iii) request the Provincial Government to:
 - (1) compensate the loss of revenue in gaming and bingo to the City of Toronto, including individual charities;
 - (2) under the new *City of Toronto Act*, give authority to conduct a City of Toronto lottery to offset loss of revenue; and
- (iv) request the City Clerk to include in the ongoing review of Council Procedures a requirement that all Notices of Motions, submitted to City Council only be considered if they meet the regular agenda deadline (5 business days before the meeting).

Operating Recommendations contained in the Analyst Briefing Notes for the City Clerk's Office

- (1) The City Clerk's Office 2006 Proposed Operating Budget of \$47.042 million gross and \$28.991 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Secretariat	7,652.0	7,120.9
Records and Information Management	21,875.2	9,194.1
Council and Support Services	2,465.3	1,930.3
Corporate Access and Privacy	1,604.4	1,554.4
Elections and Registry Services	11,904.3	7,650.6
Protocol	1,541.0	1,541.0
	<hr/>	<hr/>
Total Program Budget	47,042.2	28,991.3
	<hr/>	<hr/>

- (2) the City Clerk to report back to the Administration Committee before the start of the 2007 process on the operational impact on the City Clerk's Office arising from the new *City of Toronto Act*, the new governance structure for the City, and governance issues reported by the Bellamy Commission, and any financial implications and impact from these changes.

1.34 CITY COUNCIL

Adopt the 2006 Proposed Operating Budget Recommendations for City Council, as contained in the Analyst Briefing Notes:

"The 2006 Proposed Operating Budget for City Council of \$18.885 million gross and net, be approved.",

subject to reducing the budget by \$93.7 thousand, broken down as follows:

- (i) COLA in the amount of \$47.1 thousand; and
- (ii) underspending in the amount of \$46.6 thousand.

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for City Council, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for City Council

The 2006 Proposed Operating Budget for City Council of \$18.885 million gross and net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Councillors' Salaries and Benefits	4,697.6	4,697.6
Councillors' Staff Salaries and Benefits	10,126.6	10,126.6
Councillors' Office Budget	2,256.4	2,256.4
Councillors' General Expenses	1,604.2	1,604.2
Integrity Commissioner's Office	200.0	200.0
Total Program Budget	18,884.8	18,884.8

1.35 LEGAL SERVICES

- A. Adopt the 2006 Proposed Operating Budget Recommendations for Legal Services, as contained in the Analyst Briefing Notes:

“It is recommended that Legal Services’ 2006 Proposed Operating Budget of \$28.563 million gross and \$18.537 million net, be approved.”,

subject to:

- (i) reducing the budget by \$136.1 thousand; and
 - (ii) reducing the budget by the equivalent of one Prosecutor; and
- B. adopt the following staff recommendations (1), (2), (3,) (4) and (6) in the recommendations sections of the report (October 31, 2005) from the Treasurer and City Solicitor, entitled “2006 Operating Budget Request – Additional Staff Resources to Manage Assessment and Taxation Issues”, as recommended by the Administration Committee:

- (1) gross expenditures of \$476,900 (to cover the cost of five additional staff for Revenue Services and an inter-department charge from Legal Services for one additional solicitor) be included in the Revenue Services Division's 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from the City's Non-Program Tax Deficiency Budget resulting in a net expenditures of \$0.00 for the Revenue Services Division;.
 - (2) gross expenditure of \$92,000 (to cover the cost of one staff for Legal Services) be included in the Legal Services Division's 2006 Operating Budget Estimates, and that the funding for this expenditure be recovered as an interdepartmental recovery from Revenue Services resulting in a net expenditure of \$0.00 for the Legal Services Division;
 - (3) an inter-divisional charge of \$476,900 be included in the 2006 Operating Budget Estimates for Non-Program Tax Deficiency Budget to fund the expenditures noted above;
 - (4) the 2006 Operating Budget Estimates for the Non-Program Tax Deficiency Budget be reduced by \$2.5 million, provided the Revenue Services Division Operating Budget for 2006 is increased by the requested \$476,900; and
 - (6) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto";
- C. adopt the following staff recommendations (1) and (3) in the recommendations sections of the report (November 2, 2005) from the City Solicitor, entitled "2006 Operating Budget Request – Converting Two Litigation Solicitors' Positions from Temporary to Permanent, as recommended by the Administration Committee:
- "(1) the two litigation solicitor positions be converted from temporary to permanent;
 - (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto."; and
- D. refer the following motion to the Administration Committee:
- "That the City Solicitor be requested to report to the Administration Committee on:
- (1) where there is no staff for a Planning or Committee of Adjustment appeal, a two-thirds vote of City Council be required for the City Solicitor or outside counsel to attend an OMB hearing;

- (2) any report or any motion requesting the City Solicitor to attend at an OMB hearing include costs for both internal and external staff prior to being considered by Council.”; and
- E. request the Planning and Transportation Committee to consider asking the City Solicitor to report on a policy on using outside planners.

Action taken by the Budget Advisory Committee:

The Budget Advisory Committee requested the City Solicitor to provide a further Briefing Note on successes of Legal Services in defending the City’s position at the Ontario Municipal Board.

Administration Committee Recommendations

The Administration Committee:

- (i) referred the 2006 Proposed Operating Budget recommendations for Legal Services, as contained in the Analyst Briefing Notes to the Budget Advisory Committee;
- (ii) requested the City Solicitor to report to the Budget Advisory Committee meeting on January 27, 2006, with options to meet the two percent target, including specific options to limit the funding required for Outside Planners.

Operating Recommendations contained in the Analyst Briefing Notes for Legal Services

The Legal Services’ 2006 Proposed Operating Budget of \$28.563 million gross and \$18.537 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Municipal Law	5,213.8	2,889.3
Litigation	4,814.5	3,252.3
Administration	1,521.7	1,284.7
Planning	4,354.6	3,382.5
Real Estate	4,404.4	3,816.1
Employment Law	2,220.5	2,170.5
Prosecutions	6,033.6	1,741.6
	<hr/>	<hr/>
Total Program Budget	28,563.1	18,537.0
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1.36 OFFICE OF THE MAYOR

Adopt the 2006 Proposed Operating Budget Recommendations for the Office of the Mayor, as contained in the Analyst Briefing Notes

“The 2006 Proposed Operating Budget for the Mayor’s Office of \$1.893 million gross and net, be approved.”,

subject to reducing the budget by \$4.7 thousand, broken down as follows:

- (i) COLA in the amount of \$2.0 thousand; and
- (ii) underspending in the amount of \$2.7 thousand.

Administration Committee Recommendation

The Administration Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for the Office of the Mayor, as contained in the Analyst Briefing Notes.

Operating Recommendations contained in the Analyst Briefing Notes for the Office of the Mayor

The 2006 Proposed Operating Budget for the Mayor’s Office of \$1.893 million gross and net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Mayor’s Office	<u>1,892.9</u>	<u>1,892.9</u>
Total Program Budget	<u><u>1,892.9</u></u>	<u><u>1,892.9</u></u>

SPECIAL PURPOSE BODIES

1.37 ARENA BOARDS OF MANAGEMENT

Adopt the 2006 Proposed Operating Budget recommendations for Arena Boards of Management , as contained in the Analyst Briefing Notes:

“The Arena Boards of Management 2006 Proposed Operating Budget of \$5.674 million gross and \$0.120 million net, be approved.”

Operating Recommendations contained in the Analyst Briefing Notes for the Arena Boards of Management

The Arena Boards of Management 2006 Proposed Operating Budget of \$5.674 million gross and \$0.120 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
George Bell Arena	445.1	20.2
William H. (Bill) Bolton Arena	723.0	0.0
Larry Grossman Forest Hill Memorial Arena	869.5	(1.0)
Leaside Memorial Community Gardens	908.9	92.8
McCormick Playground Arena	600.6	(0.1)
Moss Park Arena	660.4	(0.4)
North Toronto Memorial Arena	724.3	(0.9)
Ted Reeve Community Arena	742.4	9.4
	<hr/>	<hr/>
Total Program Budget	5,674.2	119.9

1.38 ASSOCIATION OF COMMUNITY CENTERS

- A. Adopt the 2006 Proposed Operating Budget Recommendations for the Association of Community Centres, as contained in the Analyst Briefing Notes:

“It is recommended that the Association of Community Centres 2006 Proposed Operating Budget of \$5.994 million gross and \$5.849.2 million net be approved.”,

subject to adding \$15,000.00 for IT support, resulting in a revised net budget amount of \$5.849.2 million;

- B. adopt the following Recommendation (2) contained in the communication (November 22, 2005) from the Policy and Finance Committee, entitled “Corporate Support Provided to the Ten City-Funded Community Centres (AOCC’s):

“(2) the Executive Director, Social Development and Administration and the General Manager, Parks, Forestry and Recreation be requested to review the status of the Fairbank Community Centre to determine the feasibility of revising its governance and administrative structure to one that parallels that of the Board-run community centres.”;

- C. receive the following Recommendation (1) contained in the communication (November 22, 2005) from the Policy and Finance Committee, entitled “Corporate Support Provided to the Ten City-Funded Community Centres (AOCC’s):

“(1) City Council adopt the staff recommendations contained in the Recommendations Section of the report (November 1, 2005) from the Executive Director, Social Development and Administration respecting Corporate Support Provided to the Ten City-Funded Community Centres (AOCCs).”

Action taken by the Committee:

The Budget Advisory Committee received the following communications:

- (a) (November 22, 2005) from the Policy and Finance Committee, entitled “Corporate Support Provided to the Ten City-Funded Community Centres (AOCCs)”;
- (b) (January 24, 2006) from Councillor Bill Saundercook, Ward 13 Parkdale-High Park, in support of the Swansea Town Hall’s request for funding toward a Volunteer Co-ordinator.

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt that the Association of Community Centres 2006 Proposed Operating Budget.

Operating Recommendations contained in the Analyst Briefing Notes for the Association of Community Centres

The Association of Community Centres 2006 Proposed Operating Budget of \$5.994 million gross and \$5.834 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
519 Church St.	1,022.0	1,022.0
Applegrove	315.7	315.7
Cecil	564.6	564.6
Central Eglinton	471.5	471.5
Community Centre 55	564.4	564.4
Eastview Neighbourhood	425.9	425.9
Harbourfront	973.2	973.2
Ralph Thornton	576.2	536.8
Scadding Court	705.0	705.0
Swansea Town Hall	375.1	255.1
AOCC – General		
Total Program Budget	<u>5,993.6</u>	<u>5,834.2</u>

1.39 EXHIBITION PLACE

- A. Adopt Recommendation (1) of the 2006 Proposed Operating Budget recommendations for Exhibition Place, as contained in the Analyst Briefing Notes:

“(1) The Exhibition Place 2006 Proposed Operating Budget of \$47.612 million gross and \$0.435 million net, be approved.”,

subject to reducing the budget by an additional \$100,000;

- B. receive the following Recommendations (2) and (3) of the 2006 Proposed Operating Budget recommendations for Exhibition Place:

“(2) the General Manager of Exhibition Place report to the Budget Advisory Committee before the end of January 2006 with options for further reduction strategies in the amount of \$0.242 million net in order to achieve the 2006 Operating Budget target of a 2 percent increase over the net 2005 Approved Operating Budget; and

(3) the Deputy City Manager, in consultation with the 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 of \$0.885 million from the Community Partnership and Investment Program (CPIP) to the Exhibition Place Program.”

Operating Recommendations contained in the Analyst Briefing Notes for Exhibition Place

- (1) The Exhibition Place 2006 Proposed Operating Budget of \$47.612 million gross and \$0.435 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Canadian National Exhibition	20,726.2	(784.6)
Exhibition Place	14,146.6	2,074.6
National Trade Centre	12,739.2	(854.8)
Total Program Budget	<u>47,612.0</u>	<u>435.2</u>

- (2) the General Manager of Exhibition Place report to the Budget Advisory Committee before the end of January 2006 with options for further reduction strategies in the amount of \$0.242 million net in order to achieve the 2006 Operating Budget target of a 2 percent increase over the net 2005 Approved Operating Budget; and

- (3) the Deputy City Manager, in consultation with the 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 of \$0.885 million from the Community Partnership and Investment Program (CPIP) to the Exhibition Place Program.

1.40 HERITAGE TORONTO

- A. Adopt Recommendations (1), (2) and (4) of the 2006 Proposed Operating Budget Recommendations for Heritage Toronto, as contained in the Analyst Briefing Notes:

- “(1) The Heritage Toronto 2006 Proposed Operating Budget of \$0.687 million gross and \$0.356 million net, be approved;
- (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; 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;”

subject to additional savings of \$16,250 to meet the 2 percent target broken down as follows:

- (a) \$4,000 reduction in printing of Heritage Toronto Awards materials by using electronic media for distribution of nomination material for one of five categories;
 - (b) \$2,500 reduction in printing materials for Doors Open Program;
 - (c) \$2,000 reduction in printing and distribution of new membership solicitation brochure;
 - (d) \$1,000 reduction in Board expenses by suspending the annual December volunteer/donor/sponsor reception;
 - (e) \$4,500 reduction in Postage costs by utilizing electronic distribution for information distribution; and
 - (f) \$2,250 reduction in Walking Tours program planned improvements; and
- B. receive Recommendation (3) of the 2006 Proposed Operating Budget Recommendations for Heritage Toronto, as contained in the Analyst Briefing Notes:

- “(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;”.

Economic Development and Parks Committee Recommendation

The Economic Development and Parks Committee recommended that City Council adopt the 2006 Proposed Operating Budget recommendations for the Heritage Toronto, as contained in the Analyst Briefing Notes.

Operating 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
	<hr/>	<hr/>
Total Program Budget	686.6	355.5
	<hr/>	<hr/>

- (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.

1.41 THEATRES

- A. Adopt the following 2006 Proposed Operating Budget Recommendations (1), (2), and (3) for Theatres, as contained in the Analyst Briefing Notes:

- “(1) the Theatres 2006 Proposed Operating Budget of \$29.492 million gross and \$3.059 million net, be approved;

- (2) funding in the amount of \$1.714 million be provided from the Hummingbird Capital Reserve Fund (XR 3003) for state of good repair maintenance for 2006;
- (3) funding in the amount of \$0.417 million be provided from the Toronto Centre for the Arts Capital Reserve Fund (XR 3007) for state of good repair maintenance for 2006;”,

subject to amending Recommendation (1) to include the reductions proposed by Hummingbird Centre for the Performing Arts (\$75,000), St. Lawrence Centre for the Arts (\$11,000) and Toronto Centre for the Arts (\$107,000), totaling \$193,000 to read as follows:

Service:	Gross (\$000s)	Net (\$000s)
Hummingbird Centre	22,063.2	98.2
St. Lawrence Centre for the Arts	3,745.4	1,492.1
Toronto Centre for the Arts	3,989.5	1,276.6
Total Program Budget	<u>29,798.1</u>	<u>2,866.9</u>

- B. receive the following Recommendation (4) of the 2006 Proposed Operating Budget Recommendations for Theatres, contained in the Analyst Briefing Notes:

“(4) the General Manager of the Hummingbird Centre for the Arts report back to the Budget Advisory Committee on options totalling \$0.173 million to reduce the 2006 Proposed Operating Budget net increase to 2 percent of the 2005 Approved Net Operating Budget;”;

- C. postponed consideration of the Confidential Briefing Note dated February 3, 2006, entitled “Toronto Centre for the Arts - Livent Settlement Proceeds” to the Budget Advisory Committee final wrap-up meeting to discuss Reserves.

Operating Recommendations contained in the Analyst Briefing Notes for Theatres

- (1) The Theatres 2006 Proposed Operating Budget of \$29.492 million gross and \$3.059 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Hummingbird Centre	22,138.2	173.2
St. Lawrence Centre for the Arts	3,745.2	1,502.9
Toronto Centre for the Arts	3,609.5	1,383.5
Total Program Budget	<u>29,492.9</u>	<u>3,059.6</u>

- (2) funding in the amount of \$1.714 million be provided from the Hummingbird Capital Reserve Fund (XR 3003) for state of good repair maintenance for 2006;
- (3) funding in the amount of \$0.417 million be provided from the Toronto Centre for the Arts Capital Reserve Fund (XR 3007) for state of good repair maintenance for 2006; and
- (4) the General Manager of the Hummingbird Centre for the Arts report back to the Budget Advisory Committee on options totalling \$0.173 million to reduce the 2006 Proposed Operating Budget net increase to 2 percent of the 2005 Approved Net Operating Budget.

1.42 TORONTO ATMOSPHERIC FUND

Adopt the 2006 Proposed Operating Budget recommendation for the Toronto Atmospheric Fund, as contained in the Analyst Briefing Notes:

“The Toronto Atmospheric Fund 2006 Proposed Operating Budget of \$2.296 million gross and \$0.000 million net, be approved.”

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Atmospheric Fund

The Toronto Atmospheric Fund 2006 Proposed Operating Budget of \$2.296 million gross and \$0.000 million net, comprised of the following service, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Toronto Atmospheric Fund	<u>2,295.6</u>	<u>0.0</u>
Total Program Budget	<u>2,295.6</u>	<u>0.0</u>

1.43 TORONTO PUBLIC HEALTH

- A. Amend the Board of Health Operating Budget set out in Appendix 1A to the Wrap-Up Notes February 3, 2006, entitled “2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target”, by a reduction of \$.135 million Net to be found from unspecified budgets within Toronto Public Health;
- B. adopt Recommendation (2) of the 2006 Proposed Operating Budget Recommendations for Toronto Public Health, as contained in the Analyst Briefing Notes:

- (2) the 2006 Proposed New/Enhanced Services of \$4.332 million be approved subject to the Board of Health reporting to Budget Advisory Committee in February 2006 with:
 - (a) a priority list of New/Enhanced Services, that meet the \$4.332 million Proposed funding level, ensuring that priority be given to sustainability of existing services including facility state of good repair, quality assurance, and to service areas with compliance shortfalls in meeting Provincial mandates; and
 - (b) a total Proposed Budget by service area; and
- C. adopt staff recommendations (1), (2) and (4) in the Recommendations Section of the report (January 4, 2006) from the Medical Officer of Health, entitled “Public Health Agency of Canada Funding for “A Skills Building Workshop: The Impact of Crack Smoking and Crystal Methamphetamine Use on Hepatitis C Transmission of Drug Users in Ontario”, as recommended by the Board of Health:
 - “(1) the Medical Officer of Health be authorized to receive up to \$68 thousand of one time 100 percent federal funding to develop a Skills Building Workshop on Hepatitis C transmission and crack smoking and crystal methamphetamine for staff of Ontario Needle Exchange Programs and other relevant staff;
 - (2) an amount of \$68.0 thousand gross and \$68.0 thousand in federal funding revenue be added to the 2006 Toronto Public Health Operating Budget to support the development of the Skills Building Workshop;
 - (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”

Action taken by the Committee:

The Budget Advisory Committee:

- (a) referred the following communications to the Board of Health:
 - (i) (January 9, 2006) from the Planning and Transportation Committee, entitled “Toronto Public Health 2006 Operating Budget – Mandatory Certification of Food Handlers”, only as it refers to the policy recommendations related to this program;
 - (ii) (January 25, 2006) from Wendy’s Restaurants of Canada; and
 - (iii) (February 3, 2006) from Councillor Gloria Lindsay Luby, Ward 4 Etobicoke Centre; and

- (b) received the following communications:
- (i) (September 29, 2005) from the Board of Health entitled “Toronto Public Health 2006 Operating Budget”;
 - (ii) (October 25, 2005) from the Board of Health entitled “Toronto Public Health 2006 Operating Budget – Motions referred from the Board of Health Meeting Held on September 26, 2005”.
 - (iii) (November 29, 2005) from the Board of Health, entitled “Dog and Cat Licensing Strategy”;
 - (iv) (January 20, 2006) from the Board of Health, entitled “2006 Toronto Public Health Operating Budget”;
 - (v) (January 23, 2006) from the Policy and Finance Committee, entitled “Implementation and Budget Implications of the Toronto Drug Strategy”;
 - (vi) (February 6, 2006) from the City Clerk, entitled “Policy and Finance Committee Report 1, Clause 37 Health Canada Funding for ‘Taking Action on Chlamydia’ Evaluation Plan”;
 - (vii) (February 6, 2006) from the City Clerk, entitled “Policy and Finance Committee Report 1, Clause 38 Health Canada Funding for Peer Nutrition Program Evaluations”.

Board of Health Recommendations

- A. The Board of Health on September 26, 2006, recommended to the Budget Advisory Committee that:
- (1) the Budget Advisory Committee adopt the recommendations of the Board of Health Subcommittee, as follows:
 - “that the revised Toronto Public Health service requests for 2006 listed in the report “2006 Operating Budget – Service Recommendations to meet Budget Advisory Committee Target” from the Medical Officer of Health, be adopted;”
 - (2) the Budget Advisory Committee adopt the staff recommendations in the Recommendations Section of the report (January 16, 2006) from the Medical Officer of Health, as follows:
 - (a) a revised TPH 2006 Operating Budget of \$210,765.6 thousand gross and \$64,060.9 thousand net including base budget of \$197,850.9 thousand gross and \$59,729.2 thousand net, and New and Enhanced Services of \$12,914.7 thousand gross and \$4,331.7 thousand net, be approved;

- (b) the revised list of base budget adjustments included in the TPH 2006 operating budget in Table 2, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totalling an increase of \$3,916.7 thousand gross and a reduction of \$11,025.0 thousand net, be approved;
 - (c) the 2006 TPH New and Enhanced Services totalling \$12,914.7 thousand gross and \$4,331.7 thousand net as detailed in Appendix 1, “2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target” be approved;
 - (d) the report (January 16, 2006) from the Medical Officer of Health, be considered by the Budget Advisory Committee; and
 - (e) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and
- B. that funds from the Toronto Public Health 2006 Operating Budget recovered by the City of Toronto be reallocated to support the:
 - (1) \$1.4 million funding request for Child Nutrition Programs;
 - (2) Toronto Strong Neighbourhoods Strategy recommended by the Board of Health; and
 - (3) City of Toronto’s Aquatic Strategy, including Drown Proof Swimming Lessons for Grade 8 students;
- C. the Board of Health on January 19, 2006, recommended to the Budget Advisory Committee that:
 - (1) the Budget Advisory Committee adopt the recommendations of the Board of Health Subcommittee, as follows:

“that the revised Toronto Public Health service requests for 2006 listed in the report “2006 Operating Budget – Service Recommendations to meet Budget Advisory Committee Target” from the Medical Officer of Health, be adopted;”
 - (2) the Budget Advisory Committee adopt the staff recommendations in the Recommendations Section of the report (January 16, 2006) from the Medical Officer of Health, as follows:
 - (a) a revised TPH 2006 Operating Budget of \$210,765.6 thousand gross and \$64,060.9 thousand net including base budget of \$197,850.9 thousand gross and \$59,729.2 thousand net, and New and Enhanced Services of \$12,914.7 thousand gross and \$4,331.7 thousand net, be approved;

- (b) the revised list of base budget adjustments included in the TPH 2006 operating budget in Table 2, “Summary of 2006 Base Changes from 2005 Approved Budget” of this report totalling an increase of \$3,916.7 thousand gross and a reduction of \$11,025.0 thousand net, be approved;
- (c) the 2006 TPH New and Enhanced Services totalling \$12,914.7 thousand gross and \$4,331.7 thousand net as detailed in Appendix 1, “2006 Operating Budget Service Recommendations to meet Budget Advisory Committee Target” be approved;
- (d) the report (January 16, 2006) from the Medical Officer of Health, be considered by the Budget Advisory Committee; and
- (e) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Operating Recommendations contained in the Analyst Briefing Notes for Toronto Public Health

- (1) The Public Health 2006 Proposed Operating Budget of \$211.479 million gross and \$64.061 million net be approved; and
- (2) the 2006 Proposed New/Enhanced Services of \$4.332 million be approved, subject to the Board of Health reporting to Budget Advisory Committee in January 2006 with:
 - (a) a priority list of New/Enhanced Services, that meet the \$4.332 million Proposed funding level, ensuring that priority be given to sustainability of existing services including facility state of good repair, quality assurance, and to service areas with compliance shortfalls in meeting Provincial mandates; and
 - (b) a total Proposed Budget by service area.

1.44 TORONTO PUBLIC LIBRARY

- A. Adopt the 2006 Proposed Operating Budget recommendations for Toronto Public Library, as contained in the Analyst Briefing Notes:

“The Toronto Public Library’s 2006 Proposed Operating Budget of \$158.664 million gross and \$145.026 million net, be approved.”,

subject to a reduction of \$335,290.00;
- B. receive Recommendation (2) of the Operating Budget recommendations, as contained in the Analyst Briefing Notes for Toronto Public Library:

- “(2) the Toronto Public Library Board report back to Budget Advisory Committee on the reduction options and service level impacts totaling \$1.769 million, to achieve the 2006 target of 2 percent over the 2005 approved Toronto Public Library Operating Budget”.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Public Library

- (1) the Toronto Public Library’s 2006 Proposed Operating Budget of \$158.664 million gross and \$145.026 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Library Services	153,181.2	139,743.6
Library Administration	<u>5,482.8</u>	<u>5,282.8</u>
Total Program Budget	<u>158,664.0</u>	<u>145,026.4</u>

- (2) the Toronto Public Library Board report back to Budget Advisory Committee on the reduction options and service level impacts totaling \$1.769 million, to achieve the 2006 target of 2 percent over the 2005 approved Toronto Public Library Operating Budget.

1.45 TORONTO AND REGION CONSERVATION AUTHORITY

- A. Adopt Recommendations (1) and (2) of the 2006 Proposed Operating Budget recommendations for the Toronto and Region Conservation Authority, as contained in the Analyst Briefing Notes:

- “(1) that the Toronto and Region Conservation Authority 2006 Proposed Operating Budget of \$34.045 million gross and \$3.076 million net, be approved;
- (2) that the contribution toward the Toronto and Region Conservation Authority 2006 Proposed Operating Budget from the Wastewater Capital Reserve Fund be increased from the 2005 level of \$3.393 million to \$3.597 million in 2006, an increase of \$0.204 million or 6 percent over the 2005 level;”,

subject to a further reduction in net expenditure of \$66,000, bringing the Toronto and Region Conservation Authority 2006 Operating Budget to \$3.010 million net; and

- B. adopt Recommendation (3) of the 2006 Proposed Operating Budget Recommendations for the Toronto and Region Conservation Authority, as contained in the Analyst Briefing Notes, subject to deleting the words “for 2007 and future years”, so that such recommendation now reads:

“(3) the General Manager of Toronto Water and the Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee before July 2006 on a consistent approach to the contribution from the Wastewater Capital Reserve Fund to the Toronto and Region Conservation Authority Operating Budget.”

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto and Region Conservation Authority

- (1) the Toronto and Region Conservation Authority 2006 Proposed Operating Budget of \$33.839 million gross and \$3.076 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Corporate Services	4,598.1	2,341.1
Watershed Health	19,705.5	2,540.8
Watershed Experience	9,715.0	1,707.6
Rouge Park Interim Management	566.7	82.9
Sub-total		6,672.4
Contribution from Wastewater Capital Reserve Fund		(3,596.7)
Total Program Budget	34,045.2	3,075.7

- (2) the contribution toward the Toronto and Region Conservation Authority 2006 Proposed Operating Budget from the Wastewater Capital Reserve Fund be increased from the 2005 level of \$3.393 million to \$3.597 million in 2006, an increase of \$0.204 million or 6 percent over the 2005 level; and
- (3) the General Manager of Toronto Water and the Deputy City Manager and Chief Financial Officer report to the Budget Advisory Committee before July 2006 on a consistent approach to the contribution from the Wastewater Capital Reserve Fund to the Toronto and Region Conservation Authority Operating Budget for 2007 and future years.

1.46 TORONTO PARKING TAG ENFORCEMENT AND OPERATIONS

- A. Adopt Recommendation (1) of the 2006 Proposed Operating Budget recommendations for the Parking Tag Enforcement and Operations, as contained in the Analyst Briefing Notes subject to the following amendments:

- (i) a reduction of \$365,000 to the Parking Enforcement Unit portion of \$33.049 million for a Net Operating Budget of \$32.684 million; and
- (ii) increase of \$5.0 million to Parking Tag Revenue.

resulting in a revised 2006 Operating Budget of \$43.218 million gross and (\$37.397) million net, comprised of the following services, be approved;”,

Service:	Gross (\$000s)	Net (\$000s)
Parking Enforcement Unit	33,299.0	32,684.0
Parking Revenue Processing	8,950.8	8,950.8
Court Services – Judicial Processing of Parking Tickets	968.0	968.0
Parking Tag Revenue		(80,000.0)
Total Program Budget	<u>43,217.8</u>	<u>(37,397.2)</u>

- B. adopt Recommendations (2) and (3) of the 2006 Proposed Operating Budget Recommendations for the Toronto Parking Enforcement Unit, as contained in the Analyst Briefing Notes:

- “(2) the Police Chief report to the Budget Advisory Committee in February of 2006 on options totaling \$0.364 million to meet the Parking Enforcement Unit’s 2006 2 percent target of \$32.685 million net; and
- (3) the Police Chief, in consultation with the Deputy City Manager and Chief Financial Officer, report to the Administration Committee in 2007 on the operational and financial impacts of the implementation of handheld parking devices;”.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Parking Tag Enforcement and Operations

- (1) the Parking Tag Enforcement and Operations’ 2006 Proposed Operating Budget of \$43.433 million gross and \$32.032 million net revenue, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Parking Enforcement Unit	33,514.0	33,049.0
Parking Revenue Processing	8,950.8	8,950.8
Court Services – Judicial Processing of Parking Tickets	968.0	968.0
Parking Tag Revenue		(75,000.0)
Total Program Budget	<u>43,432.8</u>	<u>(32,032.2)</u>

- (2) the Police Chief report to the Budget Advisory Committee in January of 2006 on options totaling \$0.364 million to meet the Parking Enforcement Unit's 2006 2 percent target of \$32.685 million net; and
- (3) the Police Chief, in consultation with the Deputy City Manager and Chief Financial Officer, report to the Administration Committee in 2007 on the operational and financial impacts of the implementation of handheld parking devices.

1.47 TORONTO POLICE SERVICE

- A. Adopt the 2006 Operating Budget for the Toronto Police Service, as amended on February 6, 2006, for a revised 2006 Operating Budget of \$789.970 million gross and \$751.639 million net, subject to the following technical adjustments:

- (i) increasing by \$5.0 million gross and \$0 net, to reflect a provincial funding grant for additional resources for Toronto Police, to be used as follows:
 - accelerate new officer hiring;
 - backfill officer time for three rapid-response teams of 18 officers;
 - purchase necessary equipment for intelligence-gathering; and
- (ii) increasing by \$1.2 million gross and \$0 net, to reflect the costs and IDR funding from the City for Police Officer Day Court Attendance while Off-Duty;

resulting in a revised 2006 Operating Budget of \$796.170 million gross and \$751.639 million net;

- B. adopt the following Operating Budget Recommendations (2), (3), (6), (7), (8), (9) and (10) contained in the Analyst Briefing Notes for the Toronto Police Service:

- “(2) the Toronto Police Services Board report back to the Budget Advisory Committee in February 2006 with reduction options including revenue changes to achieve the 2 percent target of \$730.425 million, and that the

Chief of Police be requested to report back to the Budget Advisory Committee before the start of the 2007 budget process on the results of reviews that the Service is undertaking to determine additional efficiencies and savings;

- (3) the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the reasons why 2006 revenues are not budgeted to achieve 2005 projected actual levels or 2005 Approved Budget levels;
- (6) the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of policing as a percentage of every tax dollar (Toronto Police Service is 23.8 percent in the 2005 Operating Budget) versus comparable police forces in large cities and municipalities across Canada;
- (7) the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of Toronto Police Service's Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada;
- (8) the Deputy City Manager responsible for the Municipal Licensing and Standards Division, in consultation with City Legal Services, and other appropriate City staff, report back to the Budget Advisory Committee during the 2006 Operating Budget Process on the Toronto Police Service's proposal to recover incremental costs (approximately \$2.0 million annually) of policing the Toronto Entertainment District at peak periods from businesses within the Entertainment District;
- (9) the Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process on the new staffing strategy with respect to the redeployment of 200 positions to uniformed positions i.e. the criteria for redeployment, whom to redeploy, to and from which department, which services will be impacted or eliminated to accommodate this redeployment, and the resultant impact on base policing activity; and
- (10) the Chief of Police, as per the report received by the Toronto Police Services Board on December 15, 2005 regarding the 2006 Toronto Police Service Operating Budget, be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond;"; and

C. receive the following Recommendations (4) and (5) contained in the Analyst Briefing Notes:

- “(4) funding for the 150 new officers associated with the Provincial “Safer Communities – 1,000 Officers Partnership Program” for 2006 be proposed;
- (5) the funding for the December 2006 recruitment class of 54 new officers associated with the Provincial “Safer Communities – 1,000 Officers Partnership Program” be deferred for consideration with the 2007 budget process and that the Toronto Police Services Board report back to the Budget Advisory Committee during the 2006 budget process on the timeframes required to meet the Provincial grant eligibility requirements;”.

Action taken by the Committee:

The Budget Advisory Committee received the following communications:

- (a) (January 18, 2006) from the Chair, Toronto Police Services Board, entitled “Response to Toronto City Council Request for Status Update on the Long-term Facilities Plan – New and Replacement Facilities for the Toronto Police Service”;
- (b) (January 31, 2006) from the Chair, Toronto Police Services Board, regarding the costs related to policing the Entertainment District and the feasibility of creating a Construction Enforcement Unit; and
- (c) (February 3, 2006) from the Chair, Toronto Police Services Board, entitled “Response to Budget Advisory Committee Motions from the Meeting Held on January 13, 2006 Regarding the Toronto Police Service and Toronto Police Service-Parking Enforcement Unit 2006 Operating Budget Requests”.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Police Service

- (1) The Toronto Police Service’s 2006 Operating Budget Request of \$789.970 million gross and \$753.139 million net, be received;
- (2) the Toronto Police Services Board report back to the Budget Advisory Committee in February 2006 with reduction options including revenue changes to achieve the 2 percent target of \$730.425 million, and that the Chief of Police be requested to report back to the Budget Advisory Committee before the start of the 2007 budget process on the results of reviews that the Service is undertaking to determine additional efficiencies and savings;

- (3) the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the reasons why 2006 revenues are not budgeted to achieve 2005 projected actual levels or 2005 Approved Budget levels;
- (4) funding for the 150 new officers associated with the Provincial “Safer Communities – 1,000 Officers Partnership Program” for 2006 be proposed;
- (5) the funding for the December 2006 recruitment class of 54 new officers associated with the Provincial “Safer Communities – 1,000 Officers Partnership Program” be deferred for consideration with the 2007 budget process and that the Toronto Police Services Board report back to the Budget Advisory Committee during the 2006 budget process on the timeframes required to meet the Provincial grant eligibility requirements;
- (6) the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of policing as a percentage of every tax dollar (Toronto Police Service is 23.8 percent in the 2005 Operating Budget) versus comparable police forces in large cities and municipalities across Canada;
- (7) the Toronto Police Services Board be requested to report back to the Budget Advisory Committee in February 2006 on the comparison of Toronto Police Service’s Human Resources staffing and spending rate per total number of employees versus comparable police forces in large cities and municipalities across Canada;
- (8) the Deputy City Manager responsible for the Municipal Licensing and Standards Division, in consultation with City Legal Services, and other appropriate City staff, report back to the Budget Advisory Committee during the 2006 Operating Budget Process on the Toronto Police Service’s proposal to recover incremental costs (approximately \$2.0 million annually) of policing the Toronto Entertainment District at peak periods from businesses within the Entertainment District;
- (9) the Chief of Police be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process on the new staffing strategy with respect to the redeployment of 200 positions to uniformed positions i.e. the criteria for redeployment, whom to redeploy, to and from which department, which services will be impacted or eliminated to accommodate this redeployment, and the resultant impact on base policing activity; and
- (10) the Chief of Police, as per the report received by the Toronto Police Services Board on December 15, 2005 regarding the 2006 Toronto Police Service Operating Budget, be requested to report back to the Budget Advisory Committee prior to the start of the 2007 budget process, with medium and long term strategies for policing that identify best practices in service delivery, efficiencies, and budgetary savings that can be applied in 2007 and beyond.

1.48 TORONTO POLICE SERVICES BOARD

- A. Adopt the 2006 Operating Budget for the Toronto Police Services Board of \$1,784.6 thousand, which includes a reduction of \$1.9 thousand; and
- B. receive the following Recommendation (2) contained in the Analyst Briefing Notes, as the information has been received:

“(2) the Chair of the Toronto Police Services Board report to the Budget Advisory Committee in January of 2006, to confirm funding requirement in 2006 and on the net financial impacts in 2007 and 2008 with respect to the new “Funding for Success” initiative.”.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Police Services Board

- (1) The Toronto Police Services Board’s 2006 Proposed Operating Budget of \$1.854 million gross and \$1.854 million net for the following service, be approved.

Service:	Gross (\$000s)	Net (\$000s)
Toronto Police Services Board	<u>1,853.5</u>	<u>1,853.5</u>
Total Program Budget	<u>1,853.5</u>	<u>1,853.5</u>

- (2) the Chair of the Toronto Police Services Board report to the Budget Advisory Committee in January of 2006, to confirm funding requirement in 2006 and on the net financial impacts in 2007 and 2008 with respect to the new “Funding for Success” initiative.

1.49 TORONTO TRANSIT COMMISSION – CONVENTIONAL

- A. Adopt the Toronto Transit Commission 2006 Proposed Operating Budget of \$1,037.992 million gross and \$246.307 million net;
- B. set the Toronto Transit Commission (TTC) 2006 net expenditure target for the Conventional System at \$246.307 million with any mixture of revenue or expenditure measures;
- C. request the Toronto Transit Commission (Conventional System) to report back to the Budget Advisory Committee in 2006 to determine the final disposition of the funds totaling \$10.06 million for the Ontario Health Premium payments for 2005 and 2006;

- D. postpone the 2006 provision (Conventional System) of \$6.441 million for dental benefits and \$10.600 million for medical benefits required in years beyond 2006 for the payment to fund TTC post-retirement benefits to those future years' budget consideration;
- E. adopt the in-camera motion concerning a labour relations matter;
- F. receive the following Recommendations (2) to (8) contained in the Analyst Briefing Notes for the Toronto Transit Commission, as the information has been submitted:
 - “(2) the Chief General Manager of the Toronto Transit Commission report back to the Budget Advisory Committee in January 2006 with reduction options totaling \$66.184 million to meet the 2006 target of 2 percent for an increase in net expenditures over the 2005 Approved Budget;
 - (3) the 2006 request of \$6.441 million for a long-term subsidy receivable for the non-cash TTC post-retirement dental benefit be approved and that the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee in January 2006 on options to address other non-cash requirements such as post-retirement provisions for the Commission;
 - (4) the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer, report back to the Budget Advisory Committee in January 2006 on options for an allowance that would provide for the payment of the Ontario Health Premium;
 - (5) the Chief General Manager of the Toronto Transit Commission and Deputy City Manager and Chief Financial Officer report back to Budget Advisory Committee in January 2006 on options for annualizing anticipated gapping savings achieved in 2005 from subway and surface operations for 2006;
 - (6) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 on assumptions used in developing salary and benefits projections for gapping, overtime, absenteeism and vacation time;
 - (7) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 on the detailed salary and benefits breakdown for 212 requested new staff in 2006 and subject to that report that a recommendation be made by the Deputy City Manager and Chief Financial Officer on their appropriate budgetary treatment; and

- (8) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 detailing all 2005 Commission-directed new services and the service-level impact of deferring them.”; and
- G. request the TTC to report to the Budget Advisory Committee in 2006 with a multi-year fare strategy that preserves ridership but offsets to the greatest extent possible anticipated annual expenditures.

Action taken by the Committee:

The Budget Advisory Committee received the following communications:

- (a) (December 20, 2005) from the General Secretary, Toronto Transit Commission; and
- (b) (February 10, 2006) from the General Secretary, Toronto Transit Commission, regarding Fare Increase.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Transit Commission - Conventional

(The 2006 TTC Operating Budget submission is in draft form (defined as the November 28th version received by the Commission at Meeting NO. 1862) and subject to revision pending review and approval of the final Operating Submission by the Commission.)

- (1) The Toronto Transit Commission 2006 Operating Budget Request for the Conventional System of \$1,062.095 million gross and \$299.234 million net be received pending approval of the final budget submission by the TTC and subsequent review by the Budget Advisory Committee;
- (2) the Chief General Manager of the Toronto Transit Commission report back to the Budget Advisory Committee in January 2006 with reduction options totaling \$66.184 million to meet the 2006 target of 2 percent for an increase in net expenditures over the 2005 Approved Budget;
- (3) the 2006 request of \$6.441 million for a long-term subsidy receivable for the non-cash TTC post-retirement dental benefit be approved and that the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee in January 2006 on options to address other non-cash requirements such as post-retirement provisions for the Commission;
- (4) the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer, report back to the Budget Advisory Committee in January 2006 on options for an allowance that would provide for the payment of the Ontario Health Premium;

- (5) the Chief General Manager of the Toronto Transit Commission and Deputy City Manager and Chief Financial Officer report back to Budget Advisory Committee in January 2006 on options for annualizing anticipated gapping savings achieved in 2005 from subway and surface operations for 2006;
- (6) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 on assumptions used in developing salary and benefits projections for gapping, overtime, absenteeism and vacation time;
- (7) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 on the detailed salary and benefits breakdown for 212 requested new staff in 2006 and subject to that report that a recommendation be made by the Deputy City Manager and Chief Financial Officer on their appropriate budgetary treatment; and
- (8) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 detailing all 2005 Commission-directed new services and the service-level impact of deferring them.

1.50 TORONTO TRANSIT COMMISSION – WHEEL TRANS

- A. Adopt the following 2006 Operating Budget recommendation for Wheel-Trans, as amended:
 - “(1) the Wheel-Trans 2006 Proposed Operating Budget of \$63.009 million gross and \$59.968 million net, be approved.”;
- B. receive the following Recommendations (2) to (4) in the Analyst Briefing Notes, as the information has been submitted:
 - “(2) the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee in January 2006 on options to address other non-cash requirements such as post-retirement provisions for the Commission;
 - (3) the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee in January 2006 on options for an allowance that would provide for the payment of the Ontario Health Premium; and
 - (4) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 on the detailed salary and benefits breakdown for 19 proposed new staff in 2006.”;

- C. request the Transit Commission (Wheel-Trans) to report to the Budget Advisory Committee in 2006 to determine the final disposition of the funds totalling \$0.440 million for the Ontario Health Premium payments for 2005 and 2006; and
- D. postpone the 2006 provision (Wheel-Trans) of \$0.790 million for medical and dental benefits required in years beyond 2006 for the payment to fund TTC post-retirement benefits to those future years' budget consideration.

Action taken by the Committee:

The Budget Advisory Committee received the communication (December 20, 2005) from the General Secretary, Toronto Transit Commission, regarding interim Wheel-Trans funding.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Transit Commission – Wheel Trans

(The 2006 Wheel-Trans Operating Budget submission is in draft form (defined as the November 28th version received by the Commission at Meeting NO. 1862) and subject to revision pending review and approval of the final Operating Submission by the Commission.)

- (1) the Wheel-Trans 2006 Proposed Operating Budget of \$63.739 million gross and \$60.698 million net, comprised of the following service, be received pending approval of the final budget submission by the TTC and subsequent review by the Budget Advisory Committee:

Service:	Gross (\$000s)	Net (\$000s)
Wheel-Trans	<u>63,739.1</u>	<u>60,698.3</u>
Total Wheel-Trans Operating Budget	<u>63,739.1</u>	<u>60,698.3</u>

- (2) the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee in January 2006 on options to address other non-cash requirements such as post-retirement provisions for the Commission;
- (3) the Chief General Manager of the Toronto Transit Commission and the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee in January 2006 on options for an allowance that would provide for the payment of the Ontario Health Premium; and
- (4) the Chief General Manager of the Toronto Transit Commission report back to Budget Advisory Committee in January 2006 on the detailed salary and benefits breakdown for 19 proposed new staff in 2006.

1.51 TORONTO ZOO

Adopt the 2006 Proposed Operating Budget Recommendations for the Toronto Zoo, contained in the Analyst Briefing Notes:

- “(1) the Toronto Zoo 2006 Proposed Operating Budget of \$37.444 million gross and \$11.791 million net, be approved;
- (2) \$1.321 million of the Toronto Zoo’s OMERS contribution holiday savings be applied to the following:
 - (a) \$0.785 million to fund the Job Evaluation component of the CUPE settlement for the duration of the contract from 2005-2009;
 - (b) \$0.400 million to replenish the Animal Transaction Reserve;
 - (c) a contribution of \$0.136 million to the Zoo Stabilization Reserve; and
 - (d) that future application of the job evaluation component of the OMERS savings be reviewed on a yearly basis to ascertain the need for this funding source;
- (3) the General Manager and CEO of the Toronto Zoo investigate industry best practices for enhancing visitor levels and report to the Zoo Board of Management and the Budget Advisory Committee by June 2006;
- (4) the General Manager and CEO of the Toronto Zoo explore alternative revenue streams and other income sources for augmenting its current funding base and report to Budget Advisory Committee prior to the 2007 Operating Budget process; and
- (5) the General Manager and CEO of the Toronto Zoo report to the Budget Advisory Committee if total 2006 revenues exceed budgeted amounts, to seek approval for these funds to be applied to any outstanding accreditation concerns.”,

subject to reducing the budget by an additional \$100,000.

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Zoo

- (1) the Toronto Zoo 2006 Proposed Operating Budget of \$37.444 million gross and \$11.791 million net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
Biology and Conservation	10,229.2	9,718.8
Marketing and Communications	10,134.6	682.4
Administrative and Site Services	15,290.2	15,047.2
General Management	1,118.1	1,082.2
Animal and Endangered Species	536.0	
Revenue and Recoveries	136.0	(14,739.5)
Total Program Budget	37,444.1	11,791.1

- (2) \$1.321 million of the Toronto Zoo's OMERS contribution holiday savings be applied to the following:
 - (a) \$0.785 million to fund the Job Evaluation component of the CUPE settlement for the duration of the contract from 2005-2009;
 - (b) \$0.400 million to replenish the Animal Transaction Reserve;
 - (c) a contribution of \$0.136 million to the Zoo Stabilization Reserve; and
 - (d) that future application of the job evaluation component of the OMERS savings be reviewed on a yearly basis to ascertain the need for this funding source;
- (3) the General Manager and CEO of the Toronto Zoo investigate industry best practices for enhancing visitor levels and report to the Zoo Board of Management and the Budget Advisory Committee by June 2006;
- (4) the General Manager and CEO of the Toronto Zoo explore alternative revenue streams and other income sources for augmenting its current funding base and report to Budget Advisory Committee prior to the 2007 Operating Budget process; and
- (5) the General Manager and CEO of the Toronto Zoo report to the Budget Advisory Committee if total 2006 revenues exceed budgeted amounts, to seek approval for these funds to be applied to any outstanding accreditation concerns.

1.52 YONGE-DUNDAS SQUARE

Adopt the 2006 Proposed Operating Budget recommendations for the 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, be approved.”

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended that the 2006 Proposed Operating Budget recommendations for the Yonge-Dundas Square, as contained in the Analyst Briefing Notes, be approved.

Operating 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

CORPORATE ACCOUNTS

1.53 COMMUNITY PARTNERSHIP AND INVESTMENT PROGRAM

A. Adopt the 2006 Proposed Operating Budget recommendations for the Community Partnership and Investment Program, as contained in the Analyst Briefing Notes:

- “(1) the Community Partnership and Investment Program 2006 Proposed Operating Budget of \$44.354 million gross and \$39.181 million net, be approved;
- (2) the Deputy City Manager in consultation with the Legal Department review the Harbourfront Centre agreement and report to the Budget Advisory Committee during the 2006 Operating Budget Process whether the agreement will be extended, with the financial implications;
- (3) consideration of funding of \$0.125 million for the Variety Village be deferred pending a report from the Deputy City Manager, on the operational and financial viability of the organization and proof of continued support from the Provincial government, to Budget Advisory Committee as part of the 2006 Operating Budget Process;

- (4) the Deputy City Manager, in consultation with the 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;
- (5) 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:
 - (a) Toronto Arts Council (\$1.097 million);
 - (b) Major Arts Organizations (\$0.300 million);
 - (c) Local Arts Service Organizations (\$0.016 million); and
 - (d) Artscape (\$0.015 million); and
- (6) the Deputy City Manager review and report to Budget Advisory Committee before the 2007 Budget Process, on the financial impacts of the Provincial consolidation of the homelessness program funding and determine whether funding should remain within the CPIP program for future years.”,

subject to:

- (i) increasing the budget by \$819,000, allocated as follows:
 - \$300,000 to the Toronto Arts Council;
 - \$200,000 to the Major Arts Organizations;
 - \$18,000 to the Royal Agricultural Winter Fair;
 - \$12,000 to the Local Arts Service Organizations (LASO);
 - \$64,000 to the Community Services envelope;
 - \$200,000 to the Student Nutrition Program; and
 - \$25,000 to Variety Village;
- (ii) adding \$25,000 for the Toronto Region Research Alliance (TRRA), on the condition that TEDCO match the amount;
- (iii) adopting the following staff Recommendations (1), (2) (3), (4) and (6) in the Recommendations Section of the report (December 14, 2005) from the General Manager, Parks, Forestry and Recreation, entitled “Harbourfront Centre – Renewal of Operating Grant (Ward 20 Trinity-Spadina)”:
 - “(1) that Council renew the annual grant commitment of \$750,000 to Harbourfront Centre for one year from April 1, 2006, and ending March 31, 2007, or until Harbourfront Centre ceases to exist, ceases to operate Harbourfront Centre or loses its non-profit status;

- (2) the General Manager, Parks, Forestry and Recreation be authorized to commence a review with Harbourfront Centre of their capital needs to ensure a state of good repair of the City-owned Harbourfront programming lands and report during the 2007 Budget Process on capital requirements;
 - (3) the General Manager, Parks, Forestry and Recreation be authorized to commence negotiations with Harbourfront Centre with respect to a renewal of the operating agreement and state of good repair capital funding for a term of 10 years, commencing April 1, 2007, and ending March 31, 2017, outlining such additional terms and conditions as deemed necessary or appropriate, and that the financial implications be reported during the 2007 Budget Process;
 - (4) subject to City Council adopting Recommendation (3), the Government of Canada be requested to jointly examine a 10-year financial plan to ensure financial stability of Harbourfront Centre;
 - (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;
- (iv) adding a one-time grant of \$10,000 for promotion and advertising in the 2006 Operating Budget for Toronto Heritage Grant within the Community Partnership and Investment Program, and that these funds are fully offset by the funding from the Community Heritage Reserve Fund;
 - (v) \$150,000 of the \$175,000 new funding contained in the Social Development Finance and Administration Division’s 2006 Proposed Budget being transferred to the Community Services Grants envelope, within the Community Partnership and Investment Program, to support youth led organizations;
 - (vi) requesting staff to work with other funders such as the United Way, Provincial and Federal Governments to leverage additional funds to supplement the base Service Development Investment Program; and
 - (vii) requesting the Deputy City Manager to review and report to Budget Advisory Committee before the 2007 Budget Process, on the financial impact of the Provincial consolidation of the homelessness program funding, to determine whether funding should remain within the CPIP program for future years; and
- B. receive the communication (January 12, 2006) from the Community Services Committee forwarding the report (December 13, 2005) from the General Manager, Shelter, Support and Housing Administration, entitled “Update on the Rent Bank and Analysis of Administrative Costs”.

Action taken by the Committee:

The Budget Advisory Committee received the following communications:

- (a) (August 2, 2005) from the City Clerk, entitled “Major Recreation Grants Program – Variety – The Children’s Charity (Ward 36 Scarborough Southwest)”;
- (b) (August 2, 2005) from the City Clerk, entitled “2005 Recreation Grants Program Recommendations and Appeals (All Wards)”;
- (c) (December 15, 2005) from the City Clerk, entitled “Juno Beach Memorial and the Juno Beach Centre Association”;
- (d) (December 19, 2005) from the General Manager, Parks, Forestry and Recreation, entitled “Variety – The Children’s Charity (Ward 36 Scarborough Southwest)”;
- (e) (January 17, 2006) from the Advisory Committee on Homeless and Socially Isolated Persons, entitled “Request for Emergency Food Fund for Drop-In Centres”;
- (f) (January 23, 2006) from the Board of Health forwarding the report (January 6, 2006) from the Medical Officer of Health, entitled “2006 Community Investment Program Budgets”; and
- (g) (February 8, 2006) from the City Clerk, entitled “Cluster Development Strategy (All Wards)”.

Administration Committee Recommendations

The Administration Committee recommended that the 2006 Proposed Operating Budget for Community Partnership and Investment Program, Access and Equity Services Envelope, comprised of the following, be approved.

Grant Program	Gross (\$000s)	Net (\$000s)
Access and Equity		
Access, Equity and Human Rights	<u>773.8</u>	<u>773.8</u>

Community Services Committee Recommendations

The Community Services Committee recommended that City Council adopt the 2006 Proposed Operating Budget for Community Partnership and Investment Program, Community Services Envelope:

- “(1) the 2006 Proposed Operating Budget of \$12.317 million gross and net, for the Community Partnership and Investment Program, Community Services Envelope, comprised of the following services, be approved:

Community Services Program	Gross (\$000s)	Net (\$000s)
Services		
Community Services	10,197.4	10,197.4
Community Information Toronto	524.0	524.0
Community Safety Investment	669.8	669.8
Food Security	300.0	300.0
Service Development	250.0	250.0
Snow Shovelling / Lawn Cutting	376.1	376.1
Total Community Services Program	<u>12.317.3</u>	<u>12.317.3</u>

- (2) the 2006 Proposed Operating Budget of \$7.407 million gross and \$2.484 million net, for the Community Partnership and Investment Program, Housing Envelope, comprised of the following services, be approved:

Housing	Gross (\$000s)	Net (\$000s)
Services		
Homeless Initiatives Fund	7,406.9	2,483.9
Total	<u>7,406.9</u>	<u>2,483.9</u>

- (3) the Deputy City Manager review and report to Budget Advisory Committee before the 2007 Budget Process, on the financial impact of the Provincial consolidation of the homelessness program funding, to determine whether funding should remain within the CPIP program for future years,

subject to finding appropriate corporate offsets to increase the budget for the Community Partnership Investment Program, Community Services Envelope, by:

- (i) adding \$150,000.00 for a funding stream to support youth led community initiatives within the Community Safety Investment Program;
- (ii) funding a \$290,000.00 (2 percent) cost-of-living increase for the grants budget; and
- (iii) adding \$250,000.00 to support service development in vulnerable neighbourhoods.”

Economic Development and Parks Committee Recommendations

The Economic Development and Parks Committee recommended that City Council adopt the 2006 Proposed Operating Budget for Community Partnership and Investment Program, Economic Development Service Envelope:

- (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
	<hr/>	<hr/>
Total Arts and Culture Grants	15,562.4	15,562.4

- (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
	<hr/>	<hr/>
Total Recreation Grants	1,280.4	1,280.4

- (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	541.3	541.3

- (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; and
- (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 RWAF to cover the increase in rental expenses at Exhibition Place.”

Planning and Transportation Committee Recommendations

The Planning and Transportation Committee recommended that City Council adopt the Community Partnership and Investment Program, Urban Development Service Envelope:

The 2006 Proposed Operating Budget of \$0.559 million gross, \$0.309 million net, for the Community Partnership and Investment Program, Urban Development Service Envelope, comprised of the following services, be approved:

Grant Program	Gross (\$000s)	Net (\$000s)
Urban Development		
Graffiti Transformation	309.3	309.3
Heritage Grant	250.0	0.0
	<hr/>	<hr/>
Total Urban Development Grants	<u>559.3</u>	<u>309.3</u>

Operating Recommendations contained in the Analyst Briefing Notes for the Community Partnership and Investment Program

- (1) the Community Partnership and Investment Program 2006 Proposed Operating Budget of \$44.354 million gross and \$39.181 million net, comprised of the following services, be approved:

Service	Gross (\$000s)	Net (\$000s)
Arts and Culture	15,562.4	15,562.4
Community Services	12,317.3	12,317.3
Recreation	1,280.4	1,280.4
Public Health	4,724.6	4,724.6
Housing	7,406.9	2,483.9
Access and Equity	773.8	773.8
Economic Development	541.3	541.3
Urban Development	559.3	309.3
Miscellaneous	1,188.0	1,188.0
	<hr/>	<hr/>
Total Community Partnership and Investment Program	<u>44,353.9</u>	<u>39,180.9</u>

- (2) the Deputy City Manager in consultation with the Legal Department review the Harbourfront Centre agreement and report to the Budget Advisory Committee during the 2006 Operating Budget Process whether the agreement will be extended, with the financial implications;
- (3) consideration of funding of \$0.125 million for the Variety Village be deferred pending a report from the Deputy City Manager, on the operational and financial viability of the organization and proof of continued support from the Provincial government, to Budget Advisory Committee as part of the 2006 Operating Budget Process;
- (4) the Deputy City Manager, in consultation with the 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;
- (5) 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:
 - (a) Toronto Arts Council (\$1.097 million);
 - (b) Major Arts Organizations (\$0.300 million);
 - (c) Local Arts Service Organizations (\$0.016 million); and
 - (d) Artscape (\$0.015 million); and
- (6) the Deputy City Manager review and report to Budget Advisory Committee before the 2007 Budget Process, on the financial impacts of the Provincial consolidation of the homelessness program funding and determine whether funding should remain within the CPIP program for future years.

1.54 CAPITAL AND CORPORATE FINANCING/NON-PROGRAM

- A. Adopt the 2006 Proposed Operating Budget Recommendations for the Non-Program, including the following amendments:
 - (1) the contribution to the Employee Benefits Reserve Funds be reduced by \$15 million;
 - (2) the contribution to the Insurance Reserve Fund be reduced by \$2 million;
 - (3) the Parking Tag Revenue be increased by \$5 million;
 - (4) the Tax Penalties Revenue be reduced by \$1 million; and

- (5) the Other Taxation Revenues be increased by \$0.688 million;
- “(2) the following recommendations contained in the Recommendations Section of the report (December 15, 2005) from the Deputy City Manager and Chief Financial Officer, entitled “Revisions to Tax Sale Process Resulting from Brownfields Legislation (All Wards)”, be adopted:
- (a) a new Non-Program expenditure budget in the amount of \$385,000.00 be established, entitled “Sale of Land for Tax Arrears – Investigations”, to fund the cost of inspections, environmental investigations and appraisals (“Information Reports”) incurred subsequent to a failed tax sale; and that such funding to be provided from a reallocation of funds from within the 2006 Proposed Non Program Budget for tax-related accounts;
 - (b) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate to vest a property in the City in circumstances where a tax sale has been unsuccessful, the property is not a condominium, and Information Reports indicate that the tax sale property has no apparent environmental conditions;
 - (c) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate, following a failed tax sale, to write off tax arrears on properties where such arrears do not exceed \$10,000.00 and that Article 17 of Chapter 71 of the City of Toronto Municipal Code, Financial Control, be amended to give effect to this delegation;
 - (d) Article 16 of Chapter 441 of the City of Toronto Municipal Code, Fees, respecting Scale of Costs for Tax Sale Proceedings under Part XI of the Municipal Act, 2001, be amended to include the cost of a Preliminary Observation Report in the cancellation price;
 - (e) authority be granted for the introduction of any necessary Bills to implement the foregoing; and
 - (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;
- (3) requested the Mayor of Toronto to again ask the Province of Ontario for an amended template agreement so that the revenue to the municipality from slot machines in excess of 1,300 machines be at least equivalent to the revenues received and paid for the first

450 machines, i.e., 5 percent for the first 450 machines; 2 percent for the next 850 machines up to 1,300 machines; and 5 percent for any number in excess of 1,300 machines;

- (4) City Council adopt the following staff recommendations in the Recommendations Section of the report (February 7, 2006) from the Deputy City Manager and Chief Financial Officer, headed “2006 Annual Sinking Fund Levy and Activity During 2005”:

- B. adopt the following staff recommendations in the Recommendations Section of the report (February 7, 2006) from the Deputy City Manager and Chief Financial Officer, headed “2006 Annual Sinking Fund Levy and Activity During 2005”:

- “(1) the 2006 sinking fund levies required by by-law (as amended by the Ontario Municipal Board orders to reduce levies) to be raised in 2006 by Council for deposit in the City of Toronto Sinking Fund be approved as follows:

City of Toronto	\$126,253,535.81
Water and Wastewater	989,944.57
Toronto District School Board	<u>6,128,776.63</u>
Total	<u>\$133,372,257.01</u> ; and

- (2) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.”; and

- C. request the Deputy City Manager and Chief Financial Officer to further review:

- (i) the feasibility of closing First Appearance Facilities and/or reducing FTE staff positions; and
- (ii) the feasibility of introducing a new user fee for Parking Tag mail-in and counter payments,

and report thereon to the Administration Committee prior to the 2007 budget process.

1.55 TORONTO PARKING AUTHORITY

- A. Adopt Recommendation (1) of the 2006 Proposed Operating Budget for the Toronto Parking Authority as contained in the Analyst Briefing Notes, in the amount of \$54.801 million gross and (\$40.333 million) net:

- “(1) the Toronto Parking Authority’s 2006 Proposed Operating Budget of \$54.801 million gross and (\$40.333 million) net, be approved.”,

subject to the following amendment:

increasing the Toronto Parking Authority net by (\$50 thousand) for revenue generated from City-owned downtown properties under the jurisdiction of Facilities and Real Estate that will be made available to the Authority in 2006, resulting in a 2006 Operating Budget of \$54.801 million gross and (\$40.383 million) net; and

- B. received Recommendation (2) of the 2006 Proposed Operating Budget for the Toronto Parking Authority as contained in the Analyst Briefing Notes.

Action taken by the Committee:

The Budget Advisory Committee received the communication (November 4, 2005) from the City Clerk, entitled "Extension of Free Parking for Canadian Veterans".

Operating Recommendations contained in the Analyst Briefing Notes for the Toronto Parking Authority

- (1) the Toronto Parking Authority's 2006 Proposed Operating Budget of \$54.801 million gross and (\$40.333 million) net, comprised of the following services, be approved:

Service:	Gross (\$000s)	Net (\$000s)
On-Street Parking	10,934.9	(25,065.1)
Off-Street Parking	43,866.4	(15,268.2)
Total Program Budget	54,801.3	(40,333.3)

- (2) the President of the Toronto Parking Authority report back to the Budget Advisory Committee at its meeting in January 2006 with potential strategies to achieve an increase of \$2.554 million in 2006 net revenue that include additional revenue growth measures and/or gross expenditure reductions.

Action taken by the Committee:

The Budget Advisory Committee:

- (a) requested the Mayor of Toronto to again ask the Province of Ontario to address the inequity in distribution of slots revenue in the City of Toronto in relation to the rest of the Province; i.e., an amended template agreement so that the revenue to the municipality from slot machines in excess of 1,300 machines be at least equivalent to the revenues received and paid for the first 450 machines: 5 percent for the first 450 machines; 2 percent for the next 850 machines up to 1,300 machines; and 5 percent for any number in excess of 1,300 machines; and

- (b) received the following communications:
- (i) (October 3, 2005) from the City Clerk, entitled “Policy and Finance Committee Report 8, Clause 39, The Corporation of the City of York Employee Pension Plan, Actuarial Valuation of Funding Purposes as at January 1, 2005”; and
 - (ii) (October 3, 2005) from the City Clerk, “Policy and Finance Committee Report 8, Clause 40, Metro Toronto Police Benefit Fund, Actuarial Valuation as at December 31, 2004”.

Operating Recommendations contained in the Analyst Briefing Notes for Non-Program

- (1) The 2006 BAC Recommended Operating Budget for Non-Program of \$853.213 million gross and \$172.021 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Capital and Corporate Financing	501,477.8	496,546.8
Non-Program Expenditures	351,735.4	248,260.8
Non-Program Revenues		<u>(572,786.7)</u>
Total Program Budget	<u>853,213.2</u>	<u>172,020.9</u>

- (2) the following recommendations contained in the Recommendations Section of the report (December 15, 2005) from the Deputy City Manager and Chief Financial Officer, entitled “Revisions to Tax Sale Process Resulting from Brownfields Legislation (All Wards)”, be adopted:
- (a) a new Non-Program expenditure budget in the amount of \$385,000.00 be established, entitled “Sale of Land for Tax Arrears – Investigations”, to fund the cost of inspections, environmental investigations and appraisals (“Information Reports”) incurred subsequent to a failed tax sale; and that such funding to be provided from a reallocation of funds from within the 2006 Proposed Non-Program Budget for tax-related accounts;
 - (b) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate to vest a property in the City in circumstances where a tax sale has been unsuccessful, the property is not a condominium, and Information Reports indicate that the tax sale property has no apparent environmental conditions;
 - (c) authority be delegated to the Deputy City Manager and Chief Financial Officer or his designate, following a failed tax sale, to write off tax arrears on properties where such arrears do not exceed \$10,000.00 and that Article 17 of Chapter 71 of the City of Toronto Municipal Code, Financial Control, be amended to give effect to this delegation;

- (d) Article 16 of Chapter 441 of the City of Toronto Municipal Code, Fees, respecting Scale of Costs for Tax Sale Proceedings under Part XI of the *Municipal Act, 2001*, be amended to include the cost of a Preliminary Observation Report in the cancellation price;
 - (e) authority be granted for the introduction of any necessary Bills to implement the foregoing; and
 - (f) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.”;
- (3) requested the Mayor of Toronto to again ask the Province of Ontario for an amended template agreement so that the revenue to the municipality from slot machines in excess of 1,300 machines be at least equivalent to the revenues received and paid for the first 450 machines, i.e., 5 percent for the first 450 machines; 2 percent for the next 850 machines up to 1,300 machines; and 5 percent for any number in excess of 1,300 machines;
- (4) City Council adopt the following staff recommendations in the Recommendations Section of the report (February 7, 2006) from the Deputy City Manager and Chief Financial Officer, headed “2006 Annual Sinking Fund Levy and Activity During 2005”:
- (a) the 2006 sinking fund levies required by by-law (as amended by the Ontario Municipal Board orders to reduce levies) to be raised in 2006 by Council for deposit in the City of Toronto Sinking Fund be approved as follows:
- | | |
|-------------------------------|-------------------------------|
| City of Toronto | \$126,253,535.81 |
| Water and Wastewater | 989,944.57 |
| Toronto District School Board | <u>6,128,776.63</u> |
| Total | <u>\$133,372,257.01</u> ; and |
- (b) the appropriate City of Toronto officials be authorized to take the necessary actions to give effect thereto.”; and
- (5) requested the Deputy City Manager and Chief Financial Officer to further review:
- (a) the feasibility of closing First Appearance Facilities and/or reducing full time equivalent staff positions; and
 - (b) the feasibility of introducing a new user fee for Parking Tag mail-in and counter payments,

and report thereon to the Administration Committee prior to the 2007 budget process.

Background:

The Budget Advisory Committee at its meetings held on February 6, 8, 9, 10, and 13, 2006, reviewed the 2006 Recommended Operating Budget for the City of Toronto's departments, agencies, boards and commissions, and recommended adoption of the reports listed in Appendix 6(A).

Notice of the proposed user fees (or changes to user fees) was given as required by the Municipal Code Chapter 441, Fees, and public notice was posted on the City's Web Site.

The Budget Advisory Committee received the following communications listed in Appendix 6(B) from the Standing Committees forwarding the 2006 Operating Recommendations for the programs under their purviews:

- (a) (January 23, 2006) from the Administration Committee, entitled "2006 Operating Budgets – Administration Committee";
- (b) (January 12, 2006) from the Community Services Committee, entitled "2006 Operating Budgets – Community Services Committee";
- (c) (January 17, 2006) from the Economic Development and Parks Committee, entitled "2006 Operating Budget – Economic Development and Parks Committee";
- (d) (January 23, 2006) from the Planning and Transportation Committee, entitled "2006 Operating Budget – Planning and Transportation Committee"; and
- (e) (January 17, 2006) from the Works Committee, entitled "2006 Operating Budgets – Works Committee".

The Budget Advisory Committee received the following:

- (a) reports with recommendations addressed to the Budget Advisory Committee listed in Appendix 6(B);
- (b) reports and communications listed in Appendix 6(C), copies of which are on file in the office of the City Clerk; and
- (c) Briefing Notes to the Budget Advisory Committee listed in Appendix 6(D).

The Policy and Finance Committee also considered the following, copies of which are on file in the office of the City Clerk, City Hall:

- the 2006 BAC Recommended Operating Budget – Amendments to the Wrap Up Notes for Capital and Corporate Financing/Non-Program to include the Budget Advisory Committee recommended changes at its meeting on March 27, 2006;
- the City of Toronto 2006 BAC Recommended Operating Budget Adjustments - March 27, 2006 (\$000s); and

- Appendix 3 entitled “Best Start Plan Toronto Vision for Children” which was attached to the report (February 21, 2006) from the General Manager of Children’s Services, entitled “Integration of Children’s Service Plans”.

City Council – March 29 and 30, 2006

Council also considered the following:

- *Communication (March 28, 2006) from Mayor Miller and Councillor Soknacki, Chair, Budget Advisory Committee [Communication 1(a)]:*

Re: Framework for the 2006 Operating Budget Debate

This report is in response to the request from the Policy and Finance Committee that the Mayor and Chair of the Budget Advisory Committee prepare a framework for the 2006 budget debate.

We recommend:

1. That the order of business for the 2006 budget debate be:

- | | |
|-----------------------------|--|
| <i>Operating
Budget</i> | <ul style="list-style-type: none">(a) <i>consideration and voting on these special rules immediately prior to the consideration of the clauses;</i>(b) <i>a presentation by staff on the operating budget, followed by questions of staff on the presentation only.</i>(c) <i>questions of the Mayor or Chair, Budget Advisory Committee, from Members of Council on the presentation or general budget matters addressed in the Committee Report. Questions and answers will be limited to 5 minutes total for each Member to question the Mayor or Chair, Budget Advisory Committee. No further questions of the Mayor or Chair, Budget Advisory Committee, will be permitted unless the Mayor or Chair, Budget Advisory Committee, moves a motion during debate on the program operating budgets or general budget matters.</i>(d) <i>determination of program operating budgets to be held for consideration and approval of those operating budgets not held;</i>(e) <i>debate on outstanding program operating budgets;</i>(f) <i>voting on each program operating budget immediately after all motions have been made on each respective program operating budget;</i> |
|-----------------------------|--|

*General
Budget
Matters*

- (g) *debate on general budget matters only that are not program-specific, and include process issues and Policy and Finance Committee recommendations A(1) to A(6), A(8) to A(11), B, C, D and E in the 2006 operating budget (Clause 1);*
- (h) *voting on motions which apply to general matters only;*
- (i) *consideration of the 2006 tax levy by-laws and related matters (Clause 2).*

2. That Council agrees to these principles for the 2006 budget debate:

- (a) *that if any operating expenditure increase or revenue change is proposed, the resolution must also include a funding source which can be used for the purpose of offsetting that expenditure or revenue change. If the resolution does not contain such a funding source, then the resolution is deemed not to be in order. Favourable variances are deemed not to be an appropriate funding source.*
- (b) *if funds from one program budget are to be used to offset or fund another program budget(s), Members must hold all such budgets open and move their motions on the affected budgets during consideration of the first of these program budgets. When all motions have been voted on for the first affected program budget, that budget shall be closed. The other affected program budgets shall be adjusted accordingly and remain open except as it relates to the actions of Council on the first (now closed) program budget.*
- (d) *that in keeping with the Financial Control by-law and the Council Procedures by-law the Deputy City Manager and Chief Financial Officer will give a financial impact statement with each proposed motion immediately prior to voting on each motion.*

-
- *Communication (March 28, 2006) from the Director, Financial Planning Division [Communication 2(a)]:*

Subject: Updated Appendices 1 and 2 and Policy and Finance Operating Budget Adjustments

Attached please find the following documents which reflect updated information including the Policy and Finance adjustments made on March 27, 2006 during the 2006 Operating Budget review.

- *Appendix 1 – 2006 P&F Recommended Operating Budget*
- *Appendix 2 – 2006 P&F Recommended Operating Budget – P&F Review Summary*
- *2006 P&F Operating Budget Adjustments.*

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Appendix 1



CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET
NET EXPENDITURES

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 P&F Rec'd Total Budget		
			2006 P&F Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	1,393.1	1,421.0	1,414.0	20.9	1.5%
Children's Services	68,123.6	68,667.0	68,567.0	443.4	0.7%
Court Services	(9,034.4)	(9,404.0)	(9,544.0)	(509.6)	5.6%
Culture	8,952.0	10,653.6	10,666.1	1,714.1	19.1%
Economic Development	7,923.5	8,291.6	7,851.6	(71.9)	(0.9%)
Emergency Medical Services	67,518.3	70,927.4	60,362.7	(7,155.6)	(10.6%)
Homes for the Aged	32,733.3	33,388.0	32,818.0	84.7	0.3%
Parks, Forestry & Recreation	203,508.0	212,107.1	211,686.2	8,178.2	4.0%
Shelter Support & Housing Administration	269,932.3	275,330.9	275,818.9	5,886.6	2.2%
Social Development Finance & Administration	20,342.4	21,662.3	21,299.3	956.9	4.7%
Social Services	221,059.8	277,526.3	277,426.3	56,366.5	25.5%
Tourism	5,436.6	5,285.6	5,235.6	(201.0)	(3.7%)
3-1-1 Project Management Office	382.9	390.6	389.1	6.2	1.6%
Sub-Total Citizen Centred Services "A"	898,271.4	976,247.4	963,990.8	65,719.4	7.3%
Citizen Centred Services "B"					
Building Services	(11,607.4)	(11,375.7)	(11,546.7)	60.7	(0.5%)
Business Support Service	9,100.7	9,282.8	9,240.6	139.9	1.5%
City Planning	13,308.4	13,460.4	13,195.1	(113.3)	(0.9%)
Clean and Beautiful City Secretariat	326.5	197.0	317.3	(9.3)	(2.8%)
Fire Services	302,609.9	306,637.8	306,081.4	3,471.5	1.1%
Municipal Licensing & Standards	4,486.3	4,908.7	4,540.7	54.4	1.2%
Solid Waste Management Services	165,288.3	173,655.6	174,840.6	9,552.2	5.8%
Transportation Services	183,733.0	189,765.4	187,649.1	3,916.1	2.1%
Waterfront Secretariat	709.5	828.8	826.8	117.3	16.5%
WES - Technical Services	4,386.1	5,151.6	4,896.6	510.5	11.6%
Sub-Total Citizen Centred Services "B"	672,341.3	692,512.4	690,041.4	17,700.1	2.6%
Internal Services					
Office of the DCM and Chief Financial Officer	13,197.4	13,461.3	13,438.9	241.5	1.8%
Office of the Treasurer	30,325.5	30,932.0	30,862.3	536.8	1.8%
Corporate Communications	6,816.1	7,077.4	6,943.3	127.2	1.9%
Facilities & Real Estate	51,241.6	52,108.9	51,893.0	651.4	1.3%
Fleet Services	0.0	0.0	0.0	0.0	0.0%
Information & Technology	41,735.2	43,221.0	42,522.6	787.4	1.9%
Sub-Total Internal Services	143,315.9	146,800.7	145,660.2	2,344.3	1.6%
City Manager					
City Manager's Office	5,894.8	6,010.6	6,001.2	106.4	1.8%
Human Resources	26,377.7	27,848.1	27,810.0	1,432.3	5.4%
Sub-Total City Manager	32,272.5	33,858.7	33,811.2	1,538.7	4.8%
Other City Programs					
City Clerk's Office	19,907.2	28,991.2	28,954.4	9,047.2	45.4%
Legal Services	18,017.2	18,537.0	18,323.3	306.1	1.7%
Auditor General's Office	3,566.4	4,080.7	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,791.1	276.6	1.5%
Sub-Total Other City Programs	61,861.0	72,386.5	71,837.3	9,976.3	16.1%
TOTAL - CITY OPERATIONS	1,808,062.1	1,921,805.6	1,905,340.8	97,278.8	5.4%

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Appendix 1



**CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET
NET EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 P&F Rec'd Total Budget		
			2006 P&F Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Agencies, Boards and Commissions					
Toronto Public Health	70,754.1	64,060.9	63,925.9	(6,828.2)	(9.7%)
Toronto Public Library	140,448.6	145,026.4	144,691.1	4,242.5	3.0%
Association of Community Centers	5,726.0	5,834.2	5,849.2	123.2	2.2%
Exhibition Place	189.8	435.2	335.2	145.4	76.6%
Heritage Toronto	307.9	355.5	339.3	31.4	10.2%
Theatres	2,867.5	3,059.8	2,866.9	(0.6)	(0.0%)
Toronto Zoo	11,565.5	11,791.1	11,691.1	125.6	1.1%
Arena Boards of Management	261.5	119.9	119.9	(141.6)	(54.2%)
Yonge/Dundas Square	571.2	582.6	582.6	11.4	2.0%
Toronto & Region Conservation Authority	3,015.4	3,075.7	3,009.8	(5.6)	(0.2%)
Toronto Transit Commission - Conventional	228,480.0	299,233.9	246,306.5	17,826.5	7.8%
Toronto Transit Commission - Wheel-Trans	53,735.5	60,698.3	59,968.3	6,232.8	11.6%
Toronto Police Service	716,103.2	753,138.7	751,638.7	35,535.5	5.0%
Toronto Police Services Board	1,296.7	1,853.5	1,784.6	487.9	37.6%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,235,322.9	1,349,265.7	1,293,109.0	57,786.2	4.7%
Corporate Accounts					
Community Partnership and Investment Program	38,862.1	39,180.9	40,174.9	1,312.8	3.4%
Capital & Corporate Financing	432,464.7	496,546.8	476,546.8	44,082.1	10.2%
<u>Non-Program Expenditures</u>					
- Tax Deficiencies/Write-offs	92,608.6	87,000.0	87,000.0	(5,608.6)	(6.1%)
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	1,000.0	3.2%
- Temporary Borrowing	400.0	400.0	400.0	0.0	0.0%
- Funding of Employee Related Liabilities	35,487.6	50,487.6	35,487.6	0.0	0.0%
- Programs Funded from Reserve Fund	0.0	0.0	0.0	0.0	n/a
- Other Corporate Expenditures	22,347.5	39,797.4	39,797.4	17,449.9	78.1%
- Insurance Premiums & Claims	300.0	5,300.0	3,300.0	3,000.0	1000.0%
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,602.8	793.5	1.9%
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	2,500.0	17.9%
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	n/a
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	(4,200.0)	(100.0%)
Non-Program Expenditures	242,353.0	275,670.4	258,305.4	15,952.4	6.6%
<u>Non-Program Revenues</u>					
- Payments in Lieu of Taxes	(83,929.9)	(83,929.9)	(83,929.9)	0.0	0.0%
- Supplementary Taxes	(37,000.0)	(37,000.0)	(37,000.0)	0.0	0.0%
- Tax Penalties	(26,500.0)	(26,500.0)	(25,500.0)	1,000.0	(3.8%)
- Interest/Investment Earnings	(62,000.0)	(62,000.0)	(62,000.0)	0.0	0.0%
- Other Corporate Revenues	(23,178.6)	(9,768.1)	(122,630.1)	(99,451.5)	429.1%
- Toronto Hydro Revenues	(195,055.7)	(91,655.7)	(112,655.7)	82,400.0	(42.2%)
- Provincial Revenue	(136,600.0)	(91,600.0)	(226,600.0)	(90,000.0)	65.9%
- Parking Authority Revenues	(27,295.4)	(25,332.2)	(25,369.7)	1,925.7	(7.1%)
- 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)	(75,000.0)	(80,000.0)	2,787.0	(3.4%)
- Other Tax Revenues	(14,260.1)	(15,000.0)	(15,688.3)	(1,428.2)	10.0%
- Woodbine Slots	(15,700.0)	(14,000.0)	(14,000.0)	1,700.0	(10.8%)
Non-Program Revenues	(740,581.7)	(568,060.9)	(841,648.7)	(101,067.0)	13.6%
TOTAL - CORPORATE ACCOUNTS	(26,901.9)	243,337.2	(66,621.6)	(39,719.7)	147.6%
TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH	3,016,483.0	3,514,408.5	3,131,828.3	115,345.3	3.8%
Assessment Growth - 2006	0.0	(10,000.0)	(59,761.3)	(59,761.3)	n/a
TOTAL OPERATING BUDGET (NET EXPENDITURES)	3,016,483.0	3,504,408.5	3,072,067.0	55,584.0	1.8%
NON LEVY OPERATIONS					
Toronto Parking Authority	(42,887.2)	(40,333.1)	(40,383.1)	2,504.1	(5.8%)

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Appendix 1



**CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET
GROSS EXPENDITURES**

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 P&F Rec'd Total Budget		
			2006 P&F Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	2,826.7	3,021.0	3,014.0	187.3	6.6%
Children's Services	332,235.7	415,589.0	415,589.0	83,353.3	25.1%
Court Services	29,428.5	32,555.3	32,415.3	2,986.8	10.1%
Culture	12,618.2	15,859.8	15,917.8	3,299.6	26.1%
Economic Development	9,898.4	10,310.5	9,870.5	(27.9)	(0.3%)
Emergency Medical Services	135,089.1	142,593.4	142,384.1	7,295.0	5.4%
Homes for the Aged	179,992.1	186,741.3	186,171.3	6,179.2	3.4%
Parks, Forestry & Recreation	276,580.5	284,014.3	283,643.4	7,062.9	2.6%
Shelter Support & Housing Administration	674,817.5	666,369.6	698,078.3	23,260.8	3.4%
Social Development Finance & Administration	30,432.9	33,046.4	32,832.8	2,399.9	7.9%
Social Services	972,119.2	1,036,571.8	1,036,471.8	64,352.6	6.6%
Tourism	9,308.5	9,027.5	8,977.5	(331.0)	(3.6%)
3-1-1 Project Management Office	382.9	616.8	615.3	232.4	60.7%
Sub-Total Citizen Centred Services "A"	2,665,730.2	2,836,316.7	2,865,981.1	200,250.9	7.5%
Citizen Centred Services "B"					
Building Services	36,665.3	39,447.0	39,276.0	2,610.8	7.1%
Business Support Service	9,787.5	10,618.9	10,340.7	553.2	5.7%
City Planning	29,926.3	32,163.9	31,938.6	2,012.3	6.7%
Clean and Beautiful City Secretariat	326.5	197.0	317.3	(9.3)	(2.8%)
Fire Services	309,064.5	314,565.3	317,211.5	8,147.0	2.6%
Municipal Licensing & Standards	27,387.1	29,189.5	28,821.5	1,434.4	5.2%
Solid Waste Management Services	225,219.5	227,091.5	230,076.5	4,856.9	2.2%
Transportation Services	277,507.7	287,237.1	285,520.8	8,013.1	2.9%
Waterfront Secretariat	829.5	995.5	993.5	164.0	19.8%
WES - Technical Services	55,487.9	60,840.4	60,585.4	5,097.5	9.2%
Sub-Total Citizen Centred Services "B"	972,201.7	1,002,346.1	1,005,081.7	32,880.0	3.4%
Internal Services					
Office of the DCM and Chief Financial Officer	16,687.7	16,908.1	16,885.7	198.0	1.2%
Office of the Treasurer	60,452.2	63,212.0	63,152.3	2,700.1	4.5%
Corporate Communications	6,873.1	7,198.5	7,189.4	316.3	4.6%
Facilities & Real Estate	111,602.6	116,580.3	116,478.4	4,875.8	4.4%
Fleet Services	34,001.1	34,720.3	34,697.5	696.4	2.0%
Information & Technology	52,162.0	51,806.9	51,108.5	(1,053.5)	(2.0%)
Sub-Total Internal Services	281,778.8	290,426.2	289,511.9	7,733.1	2.7%
City Manager					
City Manager's Office	6,189.8	6,542.1	6,532.7	342.9	5.5%
Human Resources	28,188.5	29,682.9	29,644.8	1,456.3	5.2%
Sub-Total City Manager	34,378.3	36,225.0	36,177.5	1,799.2	5.2%
Other City Programs					
City Clerk's Office	40,838.2	47,042.1	47,005.3	6,167.1	15.1%
Legal Services	25,963.5	28,563.1	28,584.7	2,621.2	10.1%
Auditor General's Office	3,566.4	4,080.7	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,791.1	276.6	1.5%
Sub-Total Other City Programs	90,738.3	100,463.5	100,149.6	9,411.3	10.4%
TOTAL - CITY OPERATIONS	4,044,827.3	4,265,777.4	4,296,901.8	252,074.5	6.2%

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Appendix 1



CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET
GROSS EXPENDITURES

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 P&F Rec'd Total Budget		
			2006 P&F Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Agencies, Boards and Commissions					
Toronto Public Health	193,933.7	211,478.8	210,572.2	16,638.5	8.6%
Toronto Public Library	154,879.6	158,664.0	158,328.7	3,449.1	2.2%
Association of Community Centers	5,951.3	5,993.6	6,008.6	57.3	1.0%
Exhibition Place	46,383.8	47,611.9	47,511.9	1,128.1	2.4%
Heritage Toronto	519.0	686.6	670.4	151.4	29.2%
Theatres	19,879.5	29,493.1	29,798.1	9,918.6	49.9%
Toronto Zoo	35,360.8	37,444.1	37,444.1	2,083.3	5.9%
Arena Boards of Management	5,490.1	5,674.2	5,674.2	184.1	3.4%
Yonge/Dundas Square	1,008.2	1,072.4	1,072.4	64.2	6.4%
Toronto & Region Conservation Authority	30,048.3	34,045.2	33,979.3	3,931.0	13.1%
Toronto Transit Commission - Conventional	970,666.2	1,062,095.3	1,037,991.9	67,325.7	6.9%
Toronto Transit Commission - Wheel-Trans	56,545.9	63,739.1	63,009.1	6,463.2	11.4%
Toronto Police Service	748,691.0	789,970.4	796,170.4	47,479.4	6.3%
Toronto Police Services Board	1,296.7	1,853.5	1,784.6	487.9	37.6%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	2,270,654.1	2,449,822.2	2,430,015.8	159,361.8	7.0%
Corporate Accounts					
Community Partnership and Investment Program	44,157.3	44,353.9	47,796.4	3,639.1	8.2%
Capital & Corporate Financing	455,964.7	501,477.8	481,477.8	25,513.1	5.6%
Non-Program Expenditures					
- Tax Deficiencies/Write-offs	95,171.0	87,000.0	87,000.0	(8,171.0)	(8.6%)
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	1,000.0	3.2%
- Temporary Borrowing	400.0	400.0	400.0	0.0	0.0%
- Funding of Employee Related Liabilities	35,487.6	50,487.6	35,487.6	0.0	0.0%
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	30,391.0	43.0%
- Other Corporate Expenditures	26,164.5	42,205.4	42,205.4	16,040.9	61.3%
- Insurance Premiums & Claims	300.0	5,300.0	3,300.0	3,000.0	1000.0%
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,602.8	793.5	1.9%
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	2,500.0	17.9%
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	n/a
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	(4,200.0)	(100.0%)
Non-Program Expenditures	319,408.0	379,145.0	361,780.0	42,372.0	13.3%
TOTAL OPERATING BUDGET (GROSS EXPENDITURES)	7,135,011.4	7,640,576.3	7,617,971.8	482,960.4	6.8%
NON LEVY OPERATIONS					
Toronto Parking Authority	54,281.8	54,801.4	54,801.4	519.6	1.0%

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Appendix 1



CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET
REVENUES

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 P&F Rec'd Total Budget		
			2006 P&F Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Citizen Centred Services "A"					
Affordable Housing Office	1,433.6	1,600.0	1,600.0	166.4	11.6%
Children's Services	264,112.1	346,922.0	347,022.0	82,909.9	31.4%
Court Services	38,462.9	41,959.3	41,959.3	3,496.4	9.1%
Culture	3,666.2	5,206.2	5,251.7	1,585.5	43.2%
Economic Development	1,974.9	2,018.9	2,018.9	44.0	2.2%
Emergency Medical Services	67,570.8	71,666.0	82,021.4	14,450.6	21.4%
Homes for the Aged	147,258.8	153,353.3	153,353.3	6,094.5	4.1%
Parks, Forestry & Recreation	73,072.5	71,907.2	71,957.2	(1,115.3)	(1.5%)
Shelter Support & Housing Administration	404,885.2	391,038.7	422,259.4	17,374.2	4.3%
Social Development Finance & Administration	10,090.5	11,384.1	11,533.5	1,443.0	14.3%
Social Services	751,059.4	759,045.5	759,045.5	7,986.1	1.1%
Tourism	3,871.9	3,741.9	3,741.9	(130.0)	(3.4%)
3-1-1 Project Management Office	0.0	226.2	226.2	226.2	n/a
Sub-Total Citizen Centred Services "A"	1,767,458.8	1,860,069.3	1,901,990.3	134,531.5	7.6%
Citizen Centred Services "B"					
Building Services	48,272.6	50,822.7	50,822.7	2,550.1	5.3%
Business Support Service	686.8	1,336.1	1,100.1	413.3	60.2%
City Planning	16,617.9	18,703.5	18,743.5	2,125.6	12.8%
Clean and Beautiful City Secretariat	0.0	0.0	0.0	0.0	n/a
Fire Services	6,454.6	7,927.5	11,130.1	4,675.5	72.4%
Municipal Licensing & Standards	22,900.8	24,280.8	24,280.8	1,380.0	6.0%
Solid Waste Management Services	59,931.2	53,435.9	55,235.9	(4,695.3)	(7.8%)
Transportation Services	93,774.7	97,471.7	97,871.7	4,097.0	4.4%
Waterfront Secretariat	120.0	166.7	166.7	46.7	38.9%
WES - Technical Services	51,101.8	55,688.8	55,688.8	4,587.0	9.0%
Sub-Total Citizen Centred Services "B"	299,860.4	309,833.7	315,040.3	15,179.9	5.1%
Internal Services					
Office of the DCM and Chief Financial Officer	3,490.3	3,446.8	3,446.8	(43.5)	(1.2%)
Office of the Treasurer	30,126.7	32,280.0	32,290.0	2,163.3	7.2%
Corporate Communications	57.0	121.1	246.1	189.1	331.8%
Facilities & Real Estate	60,361.0	64,471.4	64,585.4	4,224.4	7.0%
Fleet Services	34,001.1	34,720.3	34,697.5	696.4	2.0%
Information & Technology	10,426.8	8,585.9	8,585.9	(1,840.9)	(17.7%)
Sub-Total Internal Services	138,462.9	143,625.5	143,851.7	5,388.8	3.9%
City Manager					
City Manager's Office	295.0	531.5	531.5	236.5	80.2%
Human Resources	1,810.8	1,834.8	1,834.8	24.0	1.3%
Sub-Total City Manager	2,105.8	2,366.3	2,366.3	260.5	12.4%
Other City Programs					
City Clerk's Office	20,931.0	18,050.9	18,050.9	(2,880.1)	(13.8%)
Legal Services	7,946.3	10,026.1	10,261.4	2,315.1	29.1%
Auditor General's Office	0.0	0.0	0.0	0.0	n/a
Office of the Mayor	0.0	0.0	0.0	0.0	n/a
Council	0.0	0.0	0.0	0.0	n/a
Sub-Total Other City Programs	28,877.3	28,077.0	28,312.3	(565.0)	(2.0%)
TOTAL - CITY OPERATIONS	2,236,765.2	2,343,971.8	2,391,560.9	154,795.7	6.9%

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Appendix 1



CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET
REVENUES

(In \$000's)	2005 Approved Budget	2006 ADMIN Proposed Budget	2006 P&F Rec'd Total Budget		
			2006 P&F Rec'd Budget	Change from 2005 Approved Budget	
				Incr / (Dcr)	%
Agencies, Boards and Commissions					
Toronto Public Health	123,179.6	147,417.9	146,646.3	23,466.7	19.1%
Toronto Public Library	14,431.0	13,637.6	13,637.6	(793.4)	(5.5%)
Association of Community Centers	225.3	159.4	159.4	(65.9)	(29.2%)
Exhibition Place	46,194.0	47,176.7	47,176.7	982.7	2.1%
Heritage Toronto	211.1	331.1	331.1	120.0	56.8%
Theatres	17,012.0	26,433.3	26,931.2	9,919.2	58.3%
Toronto Zoo	23,795.3	25,653.0	25,753.0	1,957.7	8.2%
Arena Boards of Management	5,228.6	5,554.3	5,554.3	325.7	6.2%
Yonge/Dundas Square	437.0	489.8	489.8	52.8	12.1%
Toronto & Region Conservation Authority	27,032.9	30,969.5	30,969.5	3,936.6	14.6%
Toronto Transit Commission - Conventional	742,186.2	762,861.4	791,685.4	49,499.2	6.7%
Toronto Transit Commission - Wheel-Trans	2,810.4	3,040.8	3,040.8	230.4	8.2%
Toronto Police Service	32,587.8	36,831.7	44,531.7	11,943.9	36.7%
Toronto Police Services Board	0.0	0.0	0.0	0.0	n/a
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,035,331.2	1,100,556.5	1,136,906.8	101,575.6	9.8%
Corporate Accounts					
Community Partnership and Investment Program	5,295.2	5,173.0	7,621.5	2,326.3	43.9%
Capital & Corporate Financing	23,500.0	4,931.0	4,931.0	(18,569.0)	(79.0%)
Non-Program Expenditures					
- Tax Deficiencies/Write-offs	2,562.4	0.0	0.0	(2,562.4)	(100.0%)
- Funding of Employee Related Liabilities	0.0	0.0	0.0	0.0	n/a
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	30,391.0	43.0%
- Other Corporate Expenditures	3,817.0	2,408.0	2,408.0	(1,409.0)	(36.9%)
- Corporate Utilities	0.0	0.0	0.0	0.0	n/a
- Computer Leasing & External Contract Inquiry	0.0	0.0	0.0	0.0	n/a
Non-Program Expenditures	77,055.0	103,474.6	103,474.6	26,419.6	34.3%
Non-Program Revenues					
- Payments in Lieu of Taxes	83,929.9	83,929.9	83,929.9	0.0	0.0%
- Supplementary Taxes	37,000.0	37,000.0	37,000.0	0.0	0.0%
- Tax Penalties	26,500.0	26,500.0	25,500.0	(1,000.0)	(3.8%)
- Interest/Investment Earnings	62,000.0	62,000.0	62,000.0	0.0	0.0%
- Other Corporate Revenues	23,178.6	9,768.1	122,630.1	99,451.5	429.1%
- Toronto Hydro Revenues	195,055.7	91,655.7	112,655.7	(82,400.0)	(42.2%)
- Provincial Revenue	136,600.0	91,600.0	226,600.0	90,000.0	65.9%
- Parking Authority Revenues	27,295.4	25,332.2	25,369.7	(1,925.7)	(7.1%)
- 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	75,000.0	80,000.0	(2,787.0)	(3.4%)
- Other Tax Revenues	14,260.1	15,000.0	15,688.3	1,428.2	10.0%
- Woodbine Slots	15,700.0	14,000.0	14,000.0	(1,700.0)	(10.8%)
Non-Program Revenues	740,581.7	568,060.9	841,648.7	101,067.0	13.6%
TOTAL - CORPORATE ACCOUNTS	846,431.9	681,639.5	957,675.8	111,243.9	13.1%
TOTAL OPERATING BUDGET BEFORE ASSESSMENT GROWTH	4,118,528.3	4,126,167.8	4,486,143.5	367,615.2	8.9%
Assessment Growth - 2006	0.0	10,000.0	59,761.3	59,761.3	n/a
TOTAL OPERATING BUDGET (GROSS REVENUES)	4,118,528.3	4,136,167.8	4,545,904.8	427,376.5	10.4%
NON LEVY OPERATIONS					
Toronto Parking Authority	97,169.0	95,134.5	95,184.5	(1,984.5)	(2.0%)

Appendix 2

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CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET -- NET EXPENDITURES
P&F REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget			Change from 2005 Approved Budget Incr / (Dcr)	%
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget		
Citizen Centred Services "A"													
Affordable Housing Office	1,393.1	1,441.8	1,421.0	1,421.0	1,414.0	0.0	0.0	0.0	(27.8)	0.0	1,414.0	20.9	1.5%
Children's Services	68,123.6	69,447.8	68,667.0	68,667.0	68,567.0	0.0	0.0	0.0	(100.0)	0.0	68,567.0	443.4	0.7%
Court Services	(9,034.4)	(8,885.6)	(9,404.0)	(9,404.0)	(9,544.0)	0.0	0.0	0.0	(140.0)	0.0	(9,544.0)	(509.6)	5.6%
Culture	8,952.0	10,703.6	10,653.6	10,653.6	10,666.1	0.0	0.0	0.0	0.0	0.0	10,666.1	1,714.1	19.1%
Economic Development	7,823.5	8,269.2	8,291.6	8,291.6	7,851.6	0.0	0.0	0.0	(380.6)	0.0	7,851.6	(71.9)	(0.9%)
Emergency Medical Services	67,518.3	74,951.3	70,927.4	70,927.4	60,362.7	0.0	0.0	0.0	(10,639.3)	74.6	60,362.7	(7,155.6)	(10.8%)
Homes for the Aged	32,733.3	34,479.5	33,368.0	33,368.0	32,818.0	0.0	0.0	0.0	(2,554.2)	0.0	32,818.0	84.7	0.3%
Parks, Forestry & Recreation	203,508.0	215,657.6	212,107.1	212,107.1	211,686.2	0.0	0.0	0.0	(3,159.6)	287.8	211,686.2	8,178.2	4.0%
Shelter Support & Housing Administration	269,932.3	279,548.4	275,330.9	275,330.9	275,818.9	0.0	0.0	0.0	(3,486.5)	0.0	275,818.9	5,886.6	2.2%
Social Development Finance & Administration	20,342.4	21,024.0	21,662.3	21,662.3	21,299.3	0.0	0.0	0.0	(462.8)	763.1	21,299.3	956.9	4.7%
Social Services	221,059.8	316,812.9	277,526.3	277,526.3	277,426.3	0.0	0.0	0.0	(33,314.3)	0.0	277,426.3	56,366.5	25.5%
Tourism	5,436.6	5,633.9	5,285.6	5,285.6	5,235.6	0.0	0.0	0.0	(47.3)	150.0	5,235.6	(201.0)	(3.7%)
3-1-1 Project Management Office	382.9	616.8	390.6	390.6	389.1	0.0	0.0	0.0	(1.5)	0.0	389.1	6.2	1.6%
Sub-Total Citizen Centred Services "A"	898,271.4	1,029,701.2	976,247.4	976,247.4	963,990.8	0.0	0.0	0.0	(54,013.9)	969.6	963,990.8	65,719.4	7.3%
Citizen Centred Services "B"													
Building Services	(11,607.4)	(9,225.6)	(11,375.7)	(11,375.7)	(11,546.7)	0.0	0.0	0.0	(2,321.1)	0.0	(11,546.7)	60.7	(0.5%)
Business Support Service	9,100.7	9,664.3	9,282.8	9,282.8	9,240.6	0.0	0.0	0.0	(423.7)	0.0	9,240.6	139.9	1.5%
City Planning	13,308.4	14,336.3	13,460.4	13,460.4	13,195.1	0.0	0.0	0.0	(1,810.3)	669.1	13,195.1	(113.3)	(0.9%)
Clean and Beautiful City Secretariat	326.5	460.7	197.0	343.7	317.3	0.0	0.0	0.0	(0.5)	120.8	317.3	(9.3)	(2.8%)
Fire Services	302,609.9	312,222.2	308,637.8	308,637.8	306,081.4	0.0	0.0	0.0	(6,140.8)	0.0	306,081.4	3,471.5	1.1%
Municipal Licensing & Standards	4,486.3	5,448.1	4,908.7	4,908.7	4,540.7	0.0	0.0	0.0	(754.9)	(152.5)	4,540.7	54.4	1.2%
Solid Waste Management Services	165,288.3	182,864.6	173,655.6	174,320.6	174,840.6	0.0	0.0	0.0	(2,911.9)	0.0	174,840.6	9,552.2	5.8%
Transportation Services	183,733.0	191,434.3	189,765.4	190,265.4	187,649.1	0.0	0.0	0.0	(3,376.0)	(733.2)	187,649.1	3,916.1	2.1%
Waterfront Secretariat	709.5	749.1	828.8	828.8	826.8	0.0	0.0	0.0	(27.3)	105.0	826.8	117.3	16.5%
WES - Technical Services	4,386.1	6,511.6	5,151.6	5,151.6	4,896.6	0.0	0.0	0.0	(300.0)	(750.0)	4,896.6	510.5	11.6%
Sub-Total Citizen Centred Services "B"	672,341.3	714,485.4	692,512.4	692,512.4	690,041.4	0.0	0.0	0.0	(18,066.5)	(740.9)	690,041.4	17,700.1	2.6%
Internal Services													
Office of the DCM and Chief Financial Officer	13,197.4	14,096.3	13,461.3	13,461.3	13,438.9	0.0	0.0	0.0	(857.4)	0.0	13,438.9	241.5	1.8%
Office of the Treasurer	30,325.5	31,957.9	30,932.0	30,932.0	30,862.3	0.0	0.0	0.0	(1,095.6)	0.0	30,862.3	536.8	1.8%
Corporate Communications	6,816.1	7,174.2	7,077.4	7,077.4	6,943.3	0.0	0.0	0.0	(73.2)	0.0	6,943.3	127.2	1.9%
Facilities & Real Estate	51,241.6	52,195.6	52,108.9	52,108.9	51,893.0	0.0	0.0	0.0	(215.9)	0.0	51,893.0	651.4	1.3%
Fleet Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Information & Technology	41,735.2	44,099.0	43,221.0	43,221.0	42,522.6	0.0	0.0	0.0	(1,663.4)	87.0	42,522.6	787.4	1.9%
Sub-Total Internal Services	143,315.9	149,523.1	146,800.7	146,800.7	145,660.2	0.0	0.0	0.0	(3,705.5)	87.0	145,660.2	2,344.3	1.6%
City Manager													
City Manager's Office	5,894.8	6,337.3	6,010.6	6,010.6	6,001.2	0.0	0.0	0.0	(336.1)	0.0	6,001.2	106.4	1.8%
Human Resources	26,377.7	28,290.1	27,848.1	27,848.1	27,810.0	0.0	0.0	0.0	(495.1)	15.0	27,810.0	1,432.3	5.4%
Sub-Total City Manager	32,272.5	34,627.4	33,858.7	33,858.7	33,811.2	0.0	0.0	0.0	(831.2)	15.0	33,811.2	1,538.7	4.8%
Other City Programs													
City Clerk's Office	19,907.2	21,851.9	28,991.2	29,060.5	28,954.4	0.0	0.0	0.0	(255.2)	0.0	28,954.4	9,047.2	45.4%
Legal Services	18,017.2	19,300.9	18,537.0	18,537.0	18,323.3	0.0	0.0	0.0	(442.6)	0.0	18,323.3	306.1	1.7%
Auditor General's Office	3,566.4	3,827.0	4,080.7	4,080.7	3,880.4	0.0	0.0	0.0	(10.0)	63.4	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,892.9	1,892.9	1,888.2	0.0	0.0	0.0	(4.7)	0.0	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,884.8	18,884.8	18,791.1	0.0	0.0	0.0	(93.7)	0.0	18,791.1	276.6	1.5%
Sub-Total Other City Programs	61,861.0	65,757.4	72,386.5	72,455.8	71,837.3	0.0	0.0	0.0	(806.2)	63.4	71,837.3	9,876.3	16.1%
TOTAL - CITY OPERATIONS	1,808,062.1	1,984,074.4	1,921,805.6	1,927,312.0	1,905,340.8	0.0	0.0	0.0	(77,423.3)	394.1	1,905,340.8	97,278.8	5.4%

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CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET -- NET EXPENDITURES
P&F REVIEW SUMMARY



(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget					
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget		
												Incr / (Dcr)	%	
Agencies, Boards and Commissions														
Toronto Public Health	70,754.1	59,486.7	64,060.9	64,060.9	63,925.9	0.0	0.0	0.0	(135.0)	4,331.7	63,925.9	(6,828.2)	(9.7%)	
Toronto Public Library	140,448.6	145,385.4	145,026.4	145,026.4	144,691.1	0.0	0.0	0.0	(335.3)	0.0	144,691.1	4,242.5	3.0%	
Association of Community Centers	5,726.0	5,834.2	5,834.2	5,834.2	5,849.2	0.0	0.0	0.0	0.0	15.0	5,849.2	123.2	2.2%	
Exhibition Place	189.8	721.0	435.2	435.2	335.2	0.0	0.0	0.0	(200.0)	(185.8)	335.2	145.4	76.6%	
Heritage Toronto	307.9	355.5	355.5	355.5	339.3	0.0	0.0	0.0	(16.3)	0.0	339.3	31.4	10.2%	
Theatres	2,867.5	4,288.5	3,059.8	3,059.8	2,866.9	0.0	0.0	0.0	(276.4)	265.1	2,866.9	(0.6)	(0.0%)	
Toronto Zoo	11,565.5	12,609.0	11,791.1	11,791.1	11,691.1	0.0	0.0	0.0	(888.0)	(6.0)	11,691.1	125.6	1.1%	
Arena Boards of Management	261.5	110.5	119.9	119.9	119.9	0.0	0.0	0.0	0.0	0.0	119.9	(141.6)	(54.2%)	
Yonge/Dundas Square	571.2	582.6	582.6	582.6	582.6	0.0	0.0	0.0	0.0	0.0	582.6	11.4	2.0%	
Toronto & Region Conservation Authority	3,015.4	3,329.5	3,075.7	3,075.7	3,009.8	0.0	0.0	0.0	(319.7)	0.0	3,009.8	(5.6)	(0.2%)	
Toronto Transit Commission - Conventional	228,480.0	305,674.9	299,233.9	299,233.9	246,306.5	0.0	0.0	0.0	(52,927.4)	0.0	246,306.5	17,826.5	7.8%	
Toronto Transit Commission - Wheel-Trans	53,735.5	60,698.3	60,698.3	60,698.3	59,968.3	0.0	0.0	0.0	(730.0)	0.0	59,968.3	6,232.8	11.5%	
Toronto Police Service	716,103.2	753,783.2	753,138.7	753,138.7	751,638.7	0.0	0.0	0.0	(1,700.0)	2,834.5	751,638.7	35,535.5	5.0%	
Toronto Police Services Board	1,296.7	1,743.5	1,853.5	1,853.5	1,784.6	0.0	0.0	0.0	(1.9)	43.0	1,784.6	487.9	37.6%	
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,235,322.9	1,354,602.8	1,349,265.7	1,349,265.7	1,293,109.0	0.0	0.0	0.0	(57,529.9)	7,297.5	1,293,109.0	57,786.2	4.7%	
Corporate Accounts														
Community Partnership and Investment Program	38,862.1	39,111.8	39,180.9	40,701.9	40,174.9	0.0	0.0	0.0	0.0	1,063.1	40,174.9	1,312.8	3.4%	
Capital & Corporate Financing	432,464.7	496,546.8	496,546.8	496,546.8	476,546.8	0.0	0.0	0.0	(20,000.0)	0.0	476,546.8	44,082.1	10.2%	
Non-Program Expenditures														
- Tax Deficiencies/Write-offs	92,608.6	87,000.0	87,000.0	87,000.0	87,000.0	0.0	0.0	0.0	0.0	0.0	87,000.0	(5,608.6)	(6.1%)	
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	32,200.0	32,200.0	0.0	0.0	0.0	0.0	0.0	32,200.0	1,000.0	3.2%	
- Temporary Borrowing	400.0	400.0	400.0	400.0	400.0	0.0	0.0	0.0	0.0	0.0	400.0	0.0	0.0%	
- Funding of Employee Related Liabilities	35,487.6	50,487.6	50,487.6	50,487.6	35,487.6	0.0	0.0	0.0	(15,000.0)	0.0	35,487.6	0.0	0.0%	
- Programs Funded from Reserve Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	
- Other Corporate Expenditures	22,347.5	39,797.4	39,797.4	39,797.4	39,797.4	0.0	0.0	0.0	0.0	0.0	39,797.4	17,449.9	78.1%	
- Insurance Premiums & Claims	300.0	5,300.0	5,300.0	5,300.0	3,300.0	0.0	0.0	0.0	(2,000.0)	0.0	3,300.0	3,000.0	1000.0%	
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,967.8	42,967.8	42,602.8	0.0	0.0	0.0	(365.0)	0.0	42,602.8	793.5	1.9%	
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	16,500.0	16,500.0	0.0	0.0	0.0	0.0	0.0	16,500.0	2,500.0	17.9%	
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	1,017.6	0.0	0.0	0.0	0.0	0.0	1,017.6	1,017.6	n/a	
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(17,365.0)	0.0	0.0	(4,200.0)	(100.0%)	
Non-Program Expenditures	242,353.0	275,670.4	275,670.4	275,670.4	258,305.4	0.0	0.0	0.0	(17,365.0)	0.0	258,305.4	15,952.4	6.6%	



CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET -- NET EXPENDITURES
P&F REVIEW SUMMARY

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Appendix 2

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CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET -- GROSS EXPENDITURES
P&F REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget			Change from 2005 Approved Budget (Dcr)	%
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget		
Citizen Centred Services "A"													
Affordable Housing Office	2,826.7	3,041.8	3,021.0	3,021.0	3,014.0	0.0	0.0	0.0	(27.8)	0.0	3,014.0	187.3	6.6%
Children's Services	332,235.7	321,221.8	415,589.0	415,589.0	415,589.0	0.0	0.0	0.0	(100.0)	95,708.8	415,589.0	83,353.3	25.1%
Court Services	29,428.5	32,555.3	32,555.3	32,555.3	32,415.3	0.0	0.0	0.0	(140.0)	1,700.0	32,415.3	2,988.8	10.1%
Culture	12,618.2	15,903.8	15,859.8	15,884.8	15,917.8	0.0	0.0	0.0	(2.0)	3,310.0	15,917.8	3,299.6	26.1%
Economic Development	9,898.4	10,251.1	10,310.5	10,310.5	9,870.5	0.0	0.0	0.0	(380.6)	0.0	9,870.5	(27.9)	(0.3%)
Emergency Medical Services	135,089.1	145,417.3	142,593.4	142,593.4	142,384.1	0.0	0.0	0.0	(300.6)	90.7	142,384.1	7,295.0	5.4%
Homes for the Aged	179,992.1	186,520.9	186,741.3	186,741.3	186,171.3	0.0	0.0	0.0	(1,242.3)	0.0	186,171.3	6,179.2	3.4%
Parks, Forestry & Recreation	276,580.5	287,580.1	284,014.3	285,952.8	283,643.4	0.0	0.0	0.0	(3,109.6)	287.8	283,643.4	7,062.9	2.6%
Shelter Support & Housing Administration	674,817.5	663,954.8	666,369.6	667,941.6	698,078.3	0.0	0.0	0.0	(694.7)	34,808.2	698,078.3	23,260.8	3.4%
Social Development Finance & Administration	30,432.9	30,450.4	33,046.4	33,170.8	32,807.8	0.0	25.0	25.0	(462.8)	2,870.2	32,832.8	2,398.9	7.9%
Social Services	972,119.2	1,035,382.8	1,036,571.8	1,036,571.8	1,036,471.8	0.0	0.0	0.0	(100.0)	3,000.0	1,036,471.8	64,352.6	6.6%
Tourism	9,308.5	9,375.8	9,027.5	9,027.5	8,977.5	0.0	0.0	0.0	(47.3)	150.0	8,977.5	(31.0)	(3.6%)
3-1-1 Project Management Office	382.9	616.8	616.8	616.8	615.3	0.0	0.0	0.0	(1.5)	0.0	615.3	232.4	60.7%
Sub-Total Citizen Centred Services "A"	2,665,730.2	2,742,578.7	2,836,316.7	2,839,976.6	2,865,956.1	0.0	25.0	25.0	(6,598.6)	141,925.7	2,865,981.1	200,250.9	7.5%
Citizen Centred Services "B"													
Building Services	36,665.3	39,047.0	39,447.0	39,447.0	39,276.0	0.0	0.0	0.0	(171.0)	400.0	39,276.0	2,610.8	7.1%
Business Support Service	9,787.5	9,875.4	10,618.9	10,618.9	10,340.7	0.0	0.0	0.0	(423.7)	889.0	10,340.7	553.2	5.7%
City Planning	29,926.3	31,403.8	32,163.9	32,163.9	31,938.6	0.0	0.0	0.0	(180.3)	709.1	31,938.6	2,012.3	6.7%
Clean and Beautiful City Secretariat	326.5	460.7	197.0	343.7	317.3	0.0	0.0	0.0	(0.5)	120.8	317.3	(9.3)	(2.8%)
Fire Services	309,064.5	318,028.8	314,565.3	314,452.6	317,211.5	0.0	0.0	0.0	(815.3)	0.0	317,211.5	8,147.0	2.6%
Municipal Licensing & Standards	27,387.1	29,328.9	29,189.5	29,189.5	28,821.5	0.0	0.0	0.0	(754.9)	247.5	28,821.5	1,434.4	5.2%
Solid Waste Management Services	225,219.5	235,485.6	227,091.5	230,546.5	230,076.5	0.0	0.0	0.0	888.1	0.0	230,076.5	4,856.9	2.2%
Transportation Services	277,507.7	287,168.0	287,237.1	287,737.1	285,520.8	0.0	0.0	0.0	(3,718.7)	1,747.5	285,520.8	8,013.1	2.9%
Waterfront Secretariat	829.5	869.1	995.5	995.5	993.5	0.0	0.0	0.0	(27.3)	151.7	993.5	164.0	19.8%
WES - Technical Services	55,487.9	61,448.1	60,840.4	60,840.4	60,585.4	0.0	0.0	0.0	(1,005.0)	0.0	60,585.4	5,097.5	9.2%
Sub-Total Citizen Centred Services "B"	972,201.7	1,013,120.4	1,002,346.1	1,006,335.1	1,005,081.7	0.0	0.0	0.0	(6,208.6)	4,265.5	1,005,081.7	32,880.0	3.4%
Internal Services													
Office of the DCM and Chief Financial Officer	16,687.7	17,557.1	16,908.1	16,908.1	16,885.7	0.0	0.0	0.0	(671.4)	0.0	16,885.7	198.0	1.2%
Office of the Treasurer	60,452.2	62,943.8	63,212.0	63,212.0	63,152.3	0.0	0.0	0.0	(509.6)	1,102.6	63,152.3	2,700.1	4.5%
Corporate Communications	6,873.1	7,231.2	7,198.5	7,198.5	7,189.4	0.0	0.0	0.0	(9.1)	125.0	7,189.4	316.3	4.6%
Facilities & Real Estate	111,602.6	117,160.3	116,580.3	116,580.3	116,478.4	0.0	0.0	0.0	(101.9)	0.0	116,478.4	4,875.8	4.4%
Fleet Services	34,001.1	34,720.3	34,720.3	34,720.3	34,697.5	0.0	0.0	0.0	(22.8)	0.0	34,697.5	696.4	2.0%
Information & Technology	52,162.0	51,209.7	51,806.9	51,806.9	51,108.5	0.0	0.0	0.0	(1,313.4)	1,212.2	51,108.5	(1,053.5)	(2.0%)
Sub-Total Internal Services	281,778.8	290,822.5	290,426.2	290,426.2	289,511.9	0.0	0.0	0.0	(2,628.2)	2,439.8	289,511.9	7,733.1	2.7%
City Manager													
City Manager's Office	6,189.8	6,648.8	6,542.1	6,542.1	6,532.7	0.0	0.0	0.0	(336.1)	220.0	6,532.7	342.9	5.6%
Human Resources	28,188.5	30,124.9	29,682.9	29,682.9	29,644.8	0.0	0.0	0.0	(495.1)	15.0	29,644.8	1,456.3	5.2%
Sub-Total City Manager	34,378.3	36,773.7	36,225.0	36,225.0	36,177.5	0.0	0.0	0.0	(831.2)	235.0	36,177.5	1,799.2	5.2%
Other City Programs													
City Clerk's Office	40,838.2	47,260.5	47,042.1	47,111.4	47,005.3	0.0	0.0	0.0	(255.2)	0.0	47,005.3	6,167.1	15.1%
Legal Services	25,963.5	28,355.0	28,563.1	28,563.1	28,584.7	0.0	0.0	0.0	(207.3)	437.0	28,584.7	2,621.2	10.1%
Auditor General's Office	3,566.4	3,827.0	4,080.7	4,080.7	3,880.4	0.0	0.0	0.0	(10.0)	63.4	3,880.4	314.0	8.8%
Office of the Mayor	1,855.8	1,892.9	1,892.9	1,892.9	1,888.2	0.0	0.0	0.0	(4.7)	0.0	1,888.2	32.4	1.7%
Council	18,514.5	18,884.8	18,884.8	18,884.8	18,791.1	0.0	0.0	0.0	(93.7)	0.0	18,791.1	276.6	1.5%
Sub-Total Other City Programs	90,738.3	100,220.1	100,463.5	100,532.8	100,149.6	0.0	0.0	0.0	(570.9)	500.4	100,149.6	9,411.3	10.4%
TOTAL - CITY OPERATIONS	4,044,827.3	4,183,515.3	4,265,777.4	4,273,495.6	4,296,876.8	0.0	25.0	25.0	(16,837.5)	149,365.4	4,296,901.8	282,074.5	6.2%

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**CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET – GROSS EXPENDITURES
P&F REVIEW SUMMARY**

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget				Change from 2005 Approved Budget	%
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	(Dcr)		
Agencies, Boards and Commissions														
Toronto Public Health	193,933.7	197,475.5	211,478.8	211,478.8	210,492.8	0.0	79.4	79.4	(385.7)	13,107.1	210,572.2	16,638.5	8.6%	
Toronto Public Library	154,879.6	158,954.0	158,664.0	158,664.0	158,328.7	0.0	0.0	0.0	(335.3)	0.0	158,328.7	3,449.1	2.2%	
Association of Community Centers	5,951.3	5,993.6	5,993.6	5,993.6	6,008.6	0.0	0.0	0.0	0.0	15.0	6,008.6	57.3	1.0%	
Exhibition Place	46,383.8	45,483.5	47,611.9	47,611.9	47,511.9	0.0	0.0	0.0	(175.0)	2,203.4	47,511.9	1,128.1	2.4%	
Heritage Toronto	519.0	566.6	686.6	686.6	670.4	0.0	0.0	0.0	(16.3)	120.0	670.4	151.4	29.2%	
Theatres	19,879.5	18,952.4	29,493.1	29,493.1	29,798.1	0.0	0.0	0.0	221.8	265.1	29,798.1	9,918.6	49.9%	
Toronto Zoo	35,360.8	36,795.1	37,444.1	37,444.1	37,444.1	0.0	0.0	0.0	35.0	614.0	37,444.1	2,083.3	5.9%	
Arena Boards of Management	5,490.1	5,664.8	5,674.2	5,674.2	5,674.2	0.0	0.0	0.0	0.0	0.0	5,674.2	184.1	3.4%	
Yonge/Dundas Square	1,008.2	1,033.0	1,072.4	1,072.4	1,072.4	0.0	0.0	0.0	0.0	39.4	1,072.4	64.2	6.4%	
Toronto & Region Conservation Authority	30,048.3	34,120.2	34,045.2	34,045.2	33,979.3	0.0	0.0	0.0	(140.9)	0.0	33,979.3	3,931.0	13.1%	
Toronto Transit Commission - Conventional	970,866.2	1,068,536.3	1,062,095.3	1,062,095.3	1,037,991.9	0.0	0.0	0.0	(24,103.4)	0.0	1,037,991.9	67,325.7	6.9%	
Toronto Transit Commission - Wheel-Trans	56,545.9	63,739.1	63,739.1	63,739.1	63,009.1	0.0	0.0	0.0	(730.0)	0.0	63,009.1	6,463.2	11.4%	
Toronto Police Service	748,691.0	786,014.9	789,970.4	789,970.4	796,170.4	0.0	0.0	0.0	0.0	13,434.5	796,170.4	47,479.4	6.3%	
Toronto Police Services Board	1,296.7	1,853.5	1,853.5	1,853.5	1,784.6	0.0	0.0	0.0	(1.9)	43.0	1,784.6	487.9	37.6%	
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	2,270,654.1	2,425,072.5	2,449,822.2	2,449,822.2	2,429,936.4	0.0	79.4	79.4	(25,631.6)	29,841.5	2,430,015.8	169,361.8	7.0%	
Corporate Accounts														
Community Partnership and Investment Program	44,157.3	44,107.0	44,353.9	45,874.9	47,796.4	0.0	0.0	0.0	0.0	3,689.4	47,796.4	3,639.1	8.2%	
Capital & Corporate Financing	455,964.7	501,477.8	501,477.8	501,477.8	481,477.8	0.0	0.0	0.0	(20,000.0)	0.0	481,477.8	25,513.1	5.6%	
Non-Program Expenditures														
- Tax Deficiencies/Write-offs	95,171.0	87,000.0	87,000.0	87,000.0	87,000.0	0.0	0.0	0.0	0.0	0.0	87,000.0	(8,171.0)	(8.6%)	
- Assessment Function (MPAC)	31,200.0	32,200.0	32,200.0	32,200.0	32,200.0	0.0	0.0	0.0	0.0	0.0	32,200.0	1,000.0	3.2%	
- Temporary Borrowing	400.0	400.0	400.0	400.0	400.0	0.0	0.0	0.0	0.0	0.0	400.0	0.0	0.0%	
- Funding of Employee Related Liabilities	35,487.6	50,487.6	50,487.6	50,487.6	35,487.6	0.0	0.0	0.0	(15,000.0)	0.0	35,487.6	0.0	0.0%	
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	101,066.6	101,066.6	0.0	0.0	0.0	0.0	0.0	101,066.6	30,391.0	43.0%	
- Other Corporate Expenditures	26,164.5	42,205.4	42,205.4	42,205.4	42,205.4	0.0	0.0	0.0	0.0	0.0	42,205.4	16,040.9	61.3%	
- Insurance Premiums & Claims	300.0	5,300.0	5,300.0	5,300.0	3,300.0	0.0	0.0	0.0	(2,000.0)	0.0	3,300.0	3,000.0	1000.0%	
- Parking Tag Enforcement & Oper.	41,809.3	42,967.8	42,967.8	42,967.8	42,602.8	0.0	0.0	0.0	(365.0)	0.0	42,602.8	793.5	1.9%	
- Vacancy Rebate Program	14,000.0	16,500.0	16,500.0	16,500.0	16,500.0	0.0	0.0	0.0	0.0	0.0	16,500.0	2,500.0	17.9%	
- Corporate Utilities	(0.0)	1,017.6	1,017.6	1,017.6	1,017.6	0.0	0.0	0.0	0.0	0.0	1,017.6	1,017.6	n/a	
- Computer Leasing & External Contract Inquiry	4,200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(4,200.0)	(100.0%)	
Non-Program Expenditures	319,408.0	379,145.0	379,145.0	379,145.0	361,780.0	0.0	0.0	0.0	(17,365.0)	0.0	361,780.0	42,372.0	13.3%	
TOTAL OPERATING BUDGET (GROSS EXPENDITURES)	7,135,011.4	7,533,317.6	7,640,576.3	7,649,815.5	7,617,867.4	0.0	104.4	104.4	(79,834.2)	182,897.3	7,617,971.8	482,960.4	6.8%	
NON LEVY OPERATIONS														
Toronto Parking Authority	54,281.8	54,801.4	54,801.4	54,801.4	54,801.4	0.0	0.0	0.0	0.0	0.0	54,801.4	519.6	1.0%	

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CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET -- REVENUES
P&F REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget			
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Change from 2005 Approved Budget Incr / (Dcr) %
Citizen Centred Services "A"												
Affordable Housing Office	1,433.6	1,600.0	1,600.0	1,600.0	1,600.0	0.0	0.0	0.0	0.0	0.0	1,600.0	11.8%
Children's Services	264,112.1	251,774.0	346,922.0	346,922.0	347,022.0	0.0	0.0	0.0	0.0	0.0	82,909.9	31.4%
Court Services	38,462.9	41,440.9	41,959.3	41,959.3	41,959.3	0.0	0.0	0.0	0.0	0.0	3,496.4	9.1%
Culture	3,666.2	5,206.2	5,206.2	5,218.7	5,251.7	0.0	0.0	0.0	(2.0)	1,797.5	5,251.7	43.2%
Economic Development	1,974.9	1,981.9	2,018.9	2,018.9	2,018.9	0.0	0.0	0.0	0.0	0.0	44.0	2.2%
Emergency Medical Services	67,570.8	70,466.0	71,666.0	71,666.0	82,021.4	0.0	0.0	0.0	10,339.3	16.1	82,021.4	21.4%
Homes for the Aged	147,258.8	152,341.4	153,353.3	153,353.3	153,353.3	0.0	0.0	0.0	1,011.9	0.0	153,353.3	4.1%
Parks, Forestry & Recreation	73,072.5	71,922.5	71,907.2	71,743.0	71,957.2	0.0	0.0	0.0	50.0	0.0	71,957.2	(1.5%)
Shelter Support & Housing Administration	404,885.2	384,406.4	391,038.7	392,610.7	422,259.4	0.0	0.0	0.0	2,801.8	34,808.2	422,259.4	4.3%
Social Development Finance & Administration	10,090.5	9,426.4	11,384.1	11,508.5	11,508.5	0.0	25.0	25.0	0.0	2,107.1	11,533.5	14.3%
Social Services	751,059.4	718,569.9	759,045.5	759,045.5	759,045.5	0.0	0.0	0.0	33,214.3	3,000.0	759,045.5	1.1%
Tourism	3,871.9	3,741.9	3,741.9	3,741.9	3,741.9	0.0	0.0	0.0	0.0	0.0	3,741.9	(3.4%)
3-1-1 Project Management Office	0.0	0.0	226.2	226.2	226.2	0.0	0.0	0.0	0.0	0.0	226.2	n/a
Sub-Total Citizen Centred Services "A"	1,767,458.8	1,712,877.5	1,860,069.3	1,861,614.0	1,901,965.3	0.0	25.0	25.0	47,415.3	140,956.1	1,901,965.3	7.6%
Citizen Centred Services "B"												
Building Services	48,272.6	48,272.6	50,822.7	50,822.7	50,822.7	0.0	0.0	0.0	2,150.1	400.0	50,822.7	5.3%
Business Support Service	686.8	211.1	1,336.1	1,336.1	1,100.1	0.0	0.0	0.0	0.0	889.0	1,100.1	60.2%
City Planning	16,617.9	17,073.5	18,703.5	18,703.5	18,743.5	0.0	0.0	0.0	1,630.0	40.0	18,743.5	12.8%
Clean and Beautiful City Secretariat	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Fire Services	6,454.6	5,804.6	7,927.5	5,804.6	11,130.1	0.0	0.0	0.0	5,325.5	0.0	11,130.1	72.4%
Municipal Licensing & Standards	22,900.8	23,880.8	24,280.8	24,280.8	24,280.8	0.0	0.0	0.0	0.0	400.0	24,280.8	6.0%
Solid Waste Management Services	59,931.2	52,621.2	53,435.9	56,225.9	55,235.9	0.0	0.0	0.0	3,800.0	0.0	55,235.9	(7.8%)
Transportation Services	93,774.7	95,733.7	97,471.7	97,471.7	97,871.7	0.0	0.0	0.0	(342.7)	2,480.7	97,871.7	4.4%
Waterfront Secretariat	120.0	120.0	166.7	166.7	166.7	0.0	0.0	0.0	(705.0)	750.0	166.7	38.9%
WES - Technical Services	51,101.8	54,937.5	55,688.8	55,688.8	55,688.8	0.0	0.0	0.0	11,857.9	5,006.4	55,688.8	5.1%
Sub-Total Citizen Centred Services "B"	299,860.4	298,655.0	309,833.7	310,500.8	315,040.3	0.0	0.0	0.0	11,857.9	5,006.4	315,040.3	5.1%
Internal Services												
Office of the DCM and Chief Financial Officer	3,480.3	3,460.8	3,446.8	3,446.8	3,446.8	0.0	0.0	0.0	(14.0)	0.0	3,446.8	(1.2%)
Office of the Treasurer	30,126.7	30,985.9	32,280.0	32,280.0	32,290.0	0.0	0.0	0.0	586.0	1,102.5	32,290.0	2.1%
Corporate Communications	57.0	57.0	121.1	121.1	246.1	0.0	0.0	0.0	64.1	125.0	246.1	331.8%
Facilities & Real Estate	60,361.0	64,964.7	64,471.4	64,471.4	64,585.4	0.0	0.0	0.0	114.0	0.0	64,585.4	7.0%
Fleet Services	34,001.1	34,720.3	34,720.3	34,720.3	34,697.5	0.0	0.0	0.0	(22.8)	0.0	34,697.5	2.0%
Information & Technology	10,426.8	7,110.7	8,585.9	8,585.9	8,585.9	0.0	0.0	0.0	350.0	1,125.2	8,585.9	(17.7%)
Sub-Total Internal Services	138,462.9	141,299.4	143,625.5	143,625.5	143,851.7	0.0	0.0	0.0	1,077.3	2,352.8	143,851.7	3.9%
City Manager												
City Manager's Office	295.0	311.5	531.5	531.5	531.5	0.0	0.0	0.0	0.0	220.0	531.5	80.2%
Human Resources	1,810.8	1,834.8	1,834.8	1,834.8	1,834.8	0.0	0.0	0.0	0.0	0.0	1,834.8	1.3%
Sub-Total City Manager	2,105.8	2,146.3	2,366.3	2,366.3	2,366.3	0.0	0.0	0.0	0.0	220.0	2,366.3	12.4%
Other City Programs												
City Clerk's Office	20,931.0	25,408.6	18,050.9	18,050.9	18,050.9	0.0	0.0	0.0	0.0	0.0	18,050.9	(13.8%)
Legal Services	7,946.3	9,054.1	10,026.1	10,026.1	10,261.4	0.0	0.0	0.0	235.3	437.0	10,261.4	29.1%
Auditor General's Office	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Office of the Mayor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Council	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a
Sub-Total Other City Programs	28,877.3	34,462.7	28,077.0	28,077.0	28,312.3	0.0	0.0	0.0	235.3	437.0	28,312.3	(2.0%)
TOTAL - CITY OPERATIONS	2,236,765.2	2,189,440.9	2,343,871.8	2,346,183.6	2,391,535.9	0.0	25.0	25.0	60,585.8	148,972.3	2,391,560.9	6.9%

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CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET – REVENUES
P&F REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget				Change from 2005 Approved Budget Incr / (Dcr)	%
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Incr / (Dcr)		
Agencies, Boards and Commissions														
Toronto Public Health	123,179.6	137,988.8	147,417.9	147,417.9	146,566.9	0.0	79.4	79.4	(250.7)	8,775.4	146,646.3	23,466.7	19.1%	
Toronto Public Library	14,431.0	13,568.6	13,637.6	13,637.6	13,637.6	0.0	0.0	0.0	0.0	0.0	13,637.6	(793.4)	(5.5%)	
Association of Community Centers	225.3	159.4	159.4	159.4	159.4	0.0	0.0	0.0	0.0	0.0	159.4	(65.9)	(29.2%)	
Exhibition Place	46,194.0	44,762.5	47,176.7	47,176.7	47,176.7	0.0	0.0	0.0	25.0	2,389.2	47,176.7	982.7	2.1%	
Heritage Toronto	211.1	211.1	331.1	331.1	331.1	0.0	0.0	0.0	0.0	120.0	331.1	120.0	56.8%	
Theatres	17,012.0	14,663.9	26,433.3	26,433.3	26,931.2	0.0	0.0	0.0	498.2	0.0	26,931.2	9,919.2	58.3%	
Toronto Zoo	23,795.3	24,186.1	25,653.0	25,653.0	25,753.0	0.0	0.0	0.0	923.0	620.0	25,753.0	1,957.7	8.2%	
Atena Boards of Management	5,228.6	5,554.3	5,554.3	5,554.3	5,554.3	0.0	0.0	0.0	0.0	0.0	5,554.3	325.7	6.2%	
Yonge/Dundas Square	437.0	450.4	489.8	489.8	489.8	0.0	0.0	0.0	0.0	39.4	489.8	52.8	12.1%	
Toronto & Region Conservation Authority	27,032.9	30,790.7	30,969.5	30,969.5	30,969.5	0.0	0.0	0.0	178.8	0.0	30,969.5	3,936.5	14.5%	
Toronto Transit Commission - Conventional	742,186.2	762,861.4	762,861.4	762,861.4	791,685.4	0.0	0.0	0.0	28,824.0	0.0	791,685.4	49,499.2	6.7%	
Toronto Transit Commission - Wheel-Trans	2,810.4	3,040.8	3,040.8	3,040.8	3,040.8	0.0	0.0	0.0	0.0	0.0	3,040.8	230.4	8.2%	
Toronto Police Service	32,587.8	32,231.7	36,831.7	36,831.7	44,531.7	0.0	0.0	0.0	1,700.0	10,600.0	44,531.7	11,943.9	36.7%	
Toronto Police Services Board	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,035,331.2	1,070,469.7	1,100,556.5	1,100,556.5	1,136,827.4	0.0	79.4	79.4	31,898.3	22,544.0	1,136,906.8	101,575.6	9.8%	
Corporate Accounts														
Community Partnership and Investment Program	5,295.2	4,995.2	5,173.0	5,173.0	7,621.5	0.0	0.0	0.0	0.0	2,626.3	7,621.5	2,326.3	43.9%	
Capital & Corporate Financing	23,500.0	4,931.0	4,931.0	4,931.0	4,931.0	0.0	0.0	0.0	0.0	0.0	4,931.0	(18,569.0)	(79.0%)	
Non-Program Expenditures														
- Tax Deficiencies/Write-offs	2,562.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2,562.4)	(100.0%)	
- Funding of Employee Related Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	
- Programs Funded from Reserve Fund	70,675.6	101,066.6	101,066.6	101,066.6	101,066.6	0.0	0.0	0.0	0.0	0.0	101,066.6	30,391.0	43.0%	
- Other Corporate Expenditures	3,817.0	2,408.0	2,408.0	2,408.0	2,408.0	0.0	0.0	0.0	0.0	0.0	2,408.0	(1,409.0)	(36.9%)	
- Corporate Utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	
- Computer Leasing & External Contract Inquiry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n/a	
Non-Program Expenditures	77,055.0	103,474.6	103,474.6	103,474.6	103,474.6	0.0	0.0	0.0	0.0	0.0	103,474.6	26,419.6	34.3%	

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CITY OF TORONTO
2006 P&F RECOMMENDED OPERATING BUDGET -- REVENUES
P&F REVIEW SUMMARY

(In \$000's)	2005 Approved Budget	2006 Base Budget Request	2006 ADM Proposed Total Budget	2006 SC Proposed Total Budget	2006 BAC Rec'd Total Budget	2006 P&F Rec'd Changes			2006 P&F Rec'd Total Operating Budget				Change from 2005 Approved Budget
						Base Adj.	New / Enh.	Total Changes	Base Budget	New / Enh.	Total Budget	Incr / (Dcr)	%
Non-Program Revenues	83,929.9	83,929.9	83,929.9	83,929.9	83,929.9	0.0	0.0	0.0	0.0	0.0	83,929.9	0.0	0.0%
- Payments in Lieu of Taxes	37,000.0	37,000.0	37,000.0	37,000.0	37,000.0	0.0	0.0	0.0	0.0	0.0	37,000.0	0.0	0.0%
- Supplementary Taxes	26,500.0	26,500.0	26,500.0	26,500.0	26,500.0	0.0	0.0	0.0	(1,000.0)	0.0	25,500.0	(1,000.0)	(3.8%)
- Tax Penalties	62,000.0	62,000.0	62,000.0	62,000.0	62,000.0	0.0	0.0	0.0	0.0	0.0	62,000.0	0.0	0.0%
- Interest/Investment Earnings	23,178.6	2,410.4	9,768.1	9,768.1	122,630.1	0.0	0.0	0.0	112,862.0	0.0	122,630.1	99,451.5	429.1%
- Other Corporate Revenues	195,055.7	91,655.7	91,655.7	91,655.7	112,655.7	0.0	0.0	0.0	21,000.0	0.0	112,655.7	(82,400.0)	(42.2%)
- Toronto Hydro Revenues	136,600.0	91,600.0	91,600.0	91,600.0	226,600.0	0.0	0.0	0.0	135,000.0	0.0	226,600.0	90,000.0	65.9%
- Provincial Revenue	27,295.4	25,332.2	25,332.2	25,332.2	25,332.2	0.0	0.0	0.0	37.5	0.0	25,369.7	(1,925.7)	(7.1%)
- Parking Authority Revenues	18,973.0	18,973.0	18,973.0	18,973.0	18,973.0	0.0	0.0	0.0	0.0	0.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Water	17,302.0	17,302.0	17,302.0	17,302.0	17,302.0	0.0	0.0	0.0	0.0	0.0	17,302.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	82,787.0	75,000.0	75,000.0	75,000.0	80,000.0	0.0	0.0	0.0	5,000.0	0.0	80,000.0	(2,787.0)	(3.4%)
- Parking Tag Enforcement & Oper.	14,260.1	15,000.0	15,000.0	15,000.0	15,688.3	0.0	0.0	0.0	688.3	0.0	15,688.3	1,428.2	10.0%
- Other Tax Revenues	15,700.0	14,000.0	14,000.0	14,000.0	14,000.0	0.0	0.0	0.0	0.0	0.0	14,000.0	(1,700.0)	(10.8%)
- Woodbine Slots	740,581.7	560,703.2	568,060.9	568,060.9	841,648.7	0.0	0.0	0.0	273,587.8	0.0	841,648.7	101,067.0	13.6%
Non-Program Revenues	846,431.9	674,104.0	681,639.5	681,639.5	957,675.8	0.0	0.0	0.0	273,587.8	2,626.3	957,675.8	111,243.9	13.1%
TOTAL - CORPORATE ACCOUNTS													
TOTAL OPERATING BUDGET BEFORE ASSESSMENT													
GROWTH	4,118,528.3	3,934,014.6	4,126,167.8	4,128,379.6	4,486,039.1	0.0	104.4	104.4	366,071.9	174,142.6	4,486,143.5	367,615.2	8.9%
Assessment Growth - 2006	0.0	10,000.0	10,000.0	10,000.0	59,761.3	0.0	0.0	0.0	49,761.3	0.0	59,761.3	59,761.3	n/a
TOTAL OPERATING BUDGET													
(GROSS REVENUES)	4,118,528.3	3,944,014.6	4,136,167.8	4,138,379.6	4,545,800.4	0.0	104.4	104.4	415,833.2	174,142.6	4,545,904.8	427,376.5	10.4%
NON LEVY OPERATIONS													
Toronto Parking Authority	97,169.0	95,134.5	95,134.5	95,134.5	95,184.5	0.0	0.0	0.0	50.0	0.0	95,184.5	(1,984.5)	(2.0%)



City of Toronto
2006 P&F Operating Budget Adjustments
March 27, 2006
(\$000s)

Program	Description	Gross Expenditures	Revenues	Net Expenditures
2006 P&F Recommended Operating Budget As At March 27, 2006 (Before Assessment Growth and Tax Increase)				
		7,617,867.3	4,486,039.0	3,131,828.3
P&F Agenda Report #1(d): Communication (February 27, 2006) from the Board of Health				
Toronto Public Health	Toronto Public Health budget be increased by \$79,396 gross, \$0 net for enhancement of nutrition and physical activity programming for children and youth	79.4	79.4	0.0
P&F Agenda Report #1(f): Communication (February 23, 2006) from Councillor Cowbourne - Roundtable on Seniors				
Social Development, Finance & Administration	Social Development, Finance & Administration budget be increased by \$25,000 gross, \$0 net to reflect the one-time funding from Social Development Canada and that the funding be used for the Ryerson/City of Toronto advocacy training program for members of the Toronto Seniors Forum	25.0	25.0	0.0
				0.0
				0.0
Total P&F Adjustments (March 27, 2006)				
		104.4	104.4	0.0
Total 2006 P&F Recommended Operating Budget (Before Assessment Growth and Tax Increase)				
		7,617,971.7	4,486,143.4	3,131,828.3

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- *Presentation Material (March 29, 2006) entitled “City of Toronto 2006 BAC Recommended Operating Budget”, submitted by the Deputy City Manager and Chief Financial Officer [Communication 3(a)].*

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- *News Releases submitted by Councillor Jane Pitfield, Ward 26, Don Valley West [Communication 4(a)]:*

- *(March 28, 2006) headed “Small Business Urges City to Freeze Business Property Taxes”;*
- *(March 28, 2006) from Canada’s Association for the 50 Plus, headed “Making Toronto Senior-Friendly”; and*
- *(March 28, 2006) from the Canadian Taxpayers Federation, headed “End Toronto’s Fiscal Incompetence”.*

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- *Chart (undated) headed “Toronto Inflation Increases (1989-2006) and Comparison to Toronto Tax Hikes (2004-2006)”, submitted by Councillor Jane Pitfield, Ward 26, Don Valley West [Communication 5(a)].*

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- *Extract from the Minutes of the Special Public Meeting of the Toronto Police Services Board held on February 2, 2006, submitted by Councillor Pam McConnell, Ward 28, Toronto Centre-Rosedale [Communication 6(a)].*

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- *Article (March 10, 2006) from The National Post, headed “Toronto’s Spendthrifts”, submitted by Councillor Doug Holyday, Ward 3, Etobicoke Centre [Communication 7(a)].*

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- *Confidential communication (March 27, 2006) from the Policy and Finance Committee [Confidential Communication C.1(a)]. The following recommendation of the Policy and Finance Committee is now public and the balance of the communication remains confidential, in accordance with the provisions of the Municipal Act, 2001, as it contains information related to labour relations or employee negotiations and security of the property of the municipality:*

“That the Toronto Transit Commission (Conventional System) contribution to the TTC Stabilization Reserve Fund set aside in 2005 for an employee liability provision, be considered as part of the 2005 year-end budget variance reports.”

Councillor Kelly declared an interest in this Clause, as it pertains to the Budget for the Toronto Police Service Administrative Command [Recommendation (A)(133)], in that his spouse is employed as a translator.

Councillor Mihevc declared an interest in this Clause, as it pertains to the Budget for the Shelter, Support and Housing Administration Division [Recommendation (A)(24)], in that his spouse is employed at the East York Family Resource Centre in that it receives funding.

Councillor Shiner declared an interest in this Clause, as it pertains to the Budget for the Parks, Forestry and Recreation Division [Recommendation (A)(17)], in that a member of his family is employed by the Division for the summer.

Councillor Walker declared an interest in this Clause, as it pertains to the Toronto Port Authority, in that his daughter is employed in a management position with the Authority.