

INQUIRY OF THE DEPUTY CITY MANAGER, CLUSTER 'B'

From: Councillor Michael Walker

Date: January 15, 2009

Subject: Funding sources for City Planning Division

The Chief Planner has stated publicly that the City of Toronto Planning Division is dependant upon development application and permit fees to fund its operations. He has also implied that in times of economic downturn the development activity in the city decreases and has the effect of decreasing revenues from applications and permits, thereby reducing the funding available to the City Planning Division.

In my opinion, if the City Planning Division is beholden to application and permit fees to fund itself, the City Planning Division is in a conflict: development approvals must be encouraged by City Planning to receive the needed revenue to fund the Division.

It seems a more stable, sustainable and transparent funding model must be in place for the City Planning Division to protect the integrity of the planning process. City Planning should not depend upon application and permit fees, but be funded to the required budget level regardless of application and permit activity; City Planning should be funded from the City's general revenues.

To clarify this issue, I ask you to provide the answers to the following questions:

- 1) For budget year 2008, what percentage of the annual operating budget for the City Planning Division came from application and permit fees?**
- 2) For budget year 2008, what percentage of the annual operating budget for the City Planning Division came from general revenues?**
- 3) Concerning budget year 2008 and before, since when has this operating budget funding model been in place for the City Planning Division?**
- 4) In the recommended budget for 2009, what percentage of the annual operating budget for the City Planning Division is to come from application and permit fees?**
- 5) In the recommended budget for 2009, what percentage of the annual operating budget for the City Planning Division came from general revenues?**

Sincerely,

Michael Walker
Councillor – St. Paul's

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January 26, 2009

Ulli Watkiss
City Clerk - City of Toronto
12th Floor – West Tower

Dear Ms. Watkiss:

Below answers the questions to the Administrative Inquiry from Councillor Michael Walker dated January 15th, 2009, regarding “Funding sources for City Planning Division” for the next regular Council meeting of January 27 and 28, 2009.

1. For budget year 2008, what percentage of the annual operating budget for the City Planning Division came from application and permit fees?

During 2008, approximately 54% of the annual operating budget for the City Planning Division came from application fees.

2. For budget year 2008, what percentage of the annual operating budget for the City Planning Division came from general revenues?

During 2008, approximately 46% of the annual operating budget for the City Planning Division came from general revenues.

3. Concerning budget year 2008 and before, since when has this operating budget funding model been in place for the City Planning Division?

The current City Planning fee structure was set up in 1998 (adopted at the City Council meeting of April 16, 1998). This fee structure harmonized the fees of the former pre-amalgamation municipalities. In 2001, the fee structure was enacted through Section 441-11 of the Toronto Municipal Code this By-law sets out a list of planning applications and corresponding application fees.

4. In the recommended budget for 2009, what percentage of the annual operating budget for the City Planning Division is to come from application and permit fees?

The 2009 percentage of annual operating budget for the City Planning Division related to application fees will be determined through the 2009 Operating Budget approval process.

5. In the recommended budget for 2009, what percentage of the annual operating budget for the City Planning Division came from general revenues?

The 2009 percentage of annual operating budget for the City Planning Division related to general revenues will be determined through the 2009 Operating Budget approval process.

Yours truly,

Richard Butts
Deputy City Manager

c: City Manager
Deputy City Manager and Chief Financial Officer