

## **Toronto's Management Information Dashboard- 2011 Q2 Results**

<b>Date:</b>	September 19, 2011
<b>To:</b>	Executive Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	

### **SUMMARY**

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This report and the accompanying Attachment A, entitled Toronto's Management Information Dashboard - Q2 2011 Results (Dashboard), provides a high level summary of key economic and social indicators as well as operational statistics from City Divisions, Agencies, Boards and Commissions.

It is intended to provide information to assist in assessing trends and directions of key indicators for the City of Toronto as a whole, and the City of Toronto services. It includes the most current information available to date in 2011 and compares it to previous periods, previous years and any associated targets established for those indicators.

Staff continue to monitor a number of indicators, such as those included in this Dashboard, on an ongoing basis to support decision-making and planning processes. The Q2 2011 indicator results in relation to 2010 results show:

- A number of the key economic indicators for the city have shown generally positive signs of economic stability over the first half of 2011 and while the outlook for the balance of 2011 appear relatively stable, 2012 forecasts are for a continued economic slowdown.
- In the short term, the development climate is still positive but there is a high degree of uncertainty heading into 2012 and 2013.

- To date, office and industrial vacancy rates have decreased in 2011, retail sales are increasing (5.2%), and development and construction indicators are continuing positive trends, but with building permit applications down.
- Many of the city's key revenue sources such as TTC user fees and Land Transfer Tax are higher/better than 2010 levels and 2011 budgeted amounts. However, these revenues will be impacted by the anticipated continuation of the economic slowdown in 2012.
- The unemployment rate in Toronto has decreased, but is still high in relation to other cities. The decrease in the unemployment rate, however, is in contrast to the rising social assistance caseload that is expected to continue growing in 2012.
- There are mixed trends on the indicators relating to community vulnerability:
  - The social assistance caseload is rising as noted above
  - Waiting lists for a subsidized childcare fee and a social housing unit are increasing
  - For sports and recreation programs, Welcome Policy registrations have increased as has registered program use in priority centres
  - Food bank use is decreasing
  - Emergency shelter use for families has decreased
- Crime rates continue to show a decreasing trend in 2011 as in recent years

Increasing concerns about the slowing U.S. economy and uncertainty regarding the escalating European debt crisis make it difficult to predict the impact these external factors could have on Toronto for the balance of 2011 and into 2012. Staff will continue to monitor indicator results closely to assess the potential impact on the City.

## **RECOMMENDATIONS**

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### **The City Manager recommends that:**

1. The Executive Committee receive this report for information.
2. The City Manager report results of Toronto's Management Information Dashboard to the Executive Committee on a quarterly basis.

### **Financial Impact**

There are no direct financial implications arising from this report.

### **Equity Impact Statement**

The indicators included in this report are at a high level and therefore don't provide sufficient detail for an equity impact analysis to be undertaken.

## DECISION HISTORY

This report on Toronto's Management Information Dashboard - Q2 2011 Results, is the first such report prepared for the Executive Committee.

## ISSUE BACKGROUND

At the time of the 2008/2009 recession the City Manager established a set of economic, social and divisional indicators that was used to monitor the impact of the recession on the City of Toronto as a whole and on the Toronto Government and services. Since that time these indicators continue to be monitored on a quarterly basis and provide some indication of the relative health of the city and city government.

Economic indicators are a key component of this indicator set and commencing in January 2011, the General Manager, Economic Development and Culture has provided an Economic Indicators Report to each meeting of the Economic Development Committee. The Economic Indicators Report provides key indicators that benchmark the City's economic performance relative to regional, national or international comparator cities or regions. The City Manager's Management Information Dashboard incorporates many of these economic indicators.

## COMMENTS

The summary and index to Toronto's Management Information Dashboard - Q2 2011 Results, provides a colour coded summary and page references to all of the indicators included in the dashboard.

The Dashboard includes:

- A guide to interpreting the Dashboard
- Sets of indicators divided into 3 parts:
  - Part 1- indicators for the City of Toronto as a whole, which includes sections on the health of Toronto's economy, development and construction, and community vulnerability
  - Part 2 – indicators for the City of Toronto Government and services, including divisional statistics indicative of the economy, key city revenue sources, and divisional statistics related to community vulnerability
  - Part 3 - key categories of crime statistics
- The information provided for each indicator includes:
  - Bar charts with the most recent 2011 data available contrasted against 2010 and 2009 results, as well as any related 2011 budget or target that has been established:
    - by month or quarter

- on a cumulative year-to-date (YTD) basis where appropriate
- A short description of the trend or direction the results are showing, (increase, decrease, stable) and the following colour coding scheme to assist in assessing the trends or direction
  - Green – desired direction
  - Amber – stable result
  - Red – not desired direction

For economic indicators, if data for Toronto is not available, that of the Toronto CMA (Census Measurement Area, which includes most of the '905' municipalities) or province-wide data has been used.

Although this dashboard is entitled 2011 Quarter 2 results, the data provided is based on the most recent information available at this time, which varies by indicator from April 2011 to August 2011, depending on the data source.

## **Context - Canadian Economy**

The economic recovery from the recent recession that ended in July 2009 has been slower than expected. Since July 2011, increasing concerns about the slowing U.S. economy and uncertainty regarding the escalating European debt crisis have prompted major Canadian banks to adjust forecasts to lower the expected Gross Domestic Growth (GDP) growth in Canada for the balance of 2011 to +2.2%, and to +1.9% in 2012. Increased unemployment rates are also expected towards the end of 2011. The Federal Minister of Finance also recently indicated Canada will, at best, realize modest growth in the upcoming months.

Canadian households have also increased their household debt to record high levels during this period of low interest rates. The ratio of household debt (mortgages, consumer credit and loans) to disposable income in Canada is now approximately 149 per cent. Although interest rates are expected to remain low in the near term, household finances may be quite sensitive to increased mortgage rates in the future.

## **Key Observations from Indicator Data**

The following sections of this report provide observations on the results of a number of key indicators in the Dashboard along with a page and chart reference to the more detailed data set.

### **Health of Toronto's Economy**

- Industrial and Office Vacancy Rates (page 1, charts 1.01 & 1.02) – [positive trend] – show that at the end of Q2 2011, the amount of both vacant industrial space and office space have decreased relative to 2010, even with the addition of significant new office towers in 2010.

- Personal and Business Bankruptcies in Ontario (page 1, charts 1.03 & 1.04) – [positive trend] – show that both personal and business bankruptcies decreased significantly in 2011 with personal bankruptcies down by -24% on a June year-to-date (YTD) basis, and business bankruptcies down by -21%.
- Unemployment Rate (page 2, chart 1.07) – [positive trend] – the seasonally adjusted three month moving average unemployment rate for City of Toronto residents in August 2011, stood at 8.8%, down from 9.7% a year earlier. As reported by the General Manager, Economic Development and Culture, Toronto's unemployment rate is higher than that of the '905' municipalities and most other economic regions in Canada.
- Number of Employment Insurance (EI) beneficiaries (page 2, chart 1.08) – [positive trend but is opposite of the trends in Social Assistance] – the April 2011 result was -19.8% lower than it was a year earlier. This result may be deceiving because many unemployed individuals may not be eligible for EI and must turn to Social Assistance (see discussion on Social Assistance Caseload).
- Home Sales and Prices (page 3, charts 1.10 & 1.11) – [positive but stabilizing trend] – Toronto's average home price in August 2011 was up by +10.3% from a year earlier, while the total number of homes sold increased slightly by +0.3% on an August YTD basis from a year earlier. These results have a direct impact on the City's Land Transfer Tax revenues.
- Retail sales in the Toronto CMA (page 4, chart 1.13) – [positive trend] – were up by +5.2% on a June YTD basis compared to 2010.
- Toronto CMA Consumer Price Index - CPI (page 4, chart 1.13-1) – [relatively stable trend] – in July 2011 Toronto's CPI showed an annual increase of +2.8% from 2010.
- Business Licenses Issued (page 7, charts 2.01 & 2.02) – [stable trend] – license renewals on an August YTD basis were up by +4.7% compared to 2010, while the number of new business licenses issued decreased by -5.6%. Results indicate that the economic situation has not had a large impact on licensing activity with consistent numbers across the months and years. This indicates these businesses seem to be withstanding any economic pressures. The percentage of renewals to new license applications has remained constant at approximately 83%, in line with historic patterns.
- TTC Ridership Levels (page 8, chart 2.07) – [positive trend] – June YTD ridership (passenger trips) grew +4.7% from 2010, and is +1.5% better than budgeted/targeted ridership levels.

## **Development and Construction**

- Planning Applications (page 4, charts 1.14 & 1.15) – [positive trend] – on a June 2011 YTD basis, Community Planning Applications were up by +13.8% and Committee of Adjustment Applications rose by +6.1% compared to 2010. The development climate in Toronto remains healthy for the time being and this is a positive sign for construction activity in the near term. However, uncertain global economic conditions may start impacting the building and construction industry in the future.
- Construction Value of Building Permits Issued (pages 5 to 6, charts 1.16, 1.18, and 1.20) – [positive trend] – as of June 2011, YTD construction values of permits issued (all building types) was \$4.23 billion, representing a +19.5% increase over 2010. Over this period, residential construction permits issued amounted to \$2.02 billion increasing by +70.3% (largely fuelled by condominium development), while industrial, commercial and institutional (ICI) permits issued totalled \$2.21 billion, a decrease of -6.2% from 2010. As reported by the General Manager, Economic Development and Culture, the ICI construction activity within the City is more than double that occurring in all the "905" municipalities combined.
- Construction Value of Building Permits Received (page 5 to 6, charts 1.17, 1.19 and 1.21) – [stabilizing trend but signs of possible slowdown] – on a June YTD basis the construction value of all permit types received was down by -50.7% over 2010, with the residential sector down by -46.2% and the ICI sector down by -37.4%. This indicator can provide some sign of future construction activity but the 2011 decrease may be misleading in that the volumes of permits received in 2010 were unusually high in the post recession period.

## Key City Revenue Sources

- TTC User Fees (page 9, chart 2.12) – [positive trend] – on a June YTD basis, TTC revenues from ridership were up by +5.6% over 2010 and were +1.2% above/better than budgeted levels.
- Water Revenues Billed (page 9, chart 2.13) – [negative trend but projected to be on plan] – to the end of June 2011, YTD revenues amounted to over \$341 million, which was down slightly by -2.6% from 2010 due to a decline in metered consumption.
- Land Transfer Tax (page 9, chart 2.14) – [positive trend but could be impacted by forecasted by economic uncertainty] – on an August YTD basis, revenues totalled \$207 million, representing a +9.6% increase over 2010 primarily as a result of increased prices of homes sold. Results are also +32.7% above/better than the budgeted amount. Future revenues may be sensitive an economic slowdown and to

any future increase in mortgage rates because of the high levels of household debt discussed earlier.

- Planning Application Fees (page 10, chart 2.17) – [stable trend] – June YTD results show total fee revenue was very similar to 2010 levels.
- Building Permit Fees (page 10, chart 2.18) – [negative trend but stabilizing] June YTD permit fee revenues were down by -32.6% from 2010 and are -11.2% below the 2011 budgeted revenues. A high volume of applications with payments was received in 2010 (a year of record volumes of permit activity) that are out of cycle with the issuance of permits in 2011 leading to lower revenues. Although a high level of activity has continued in 2011, it is not at the record levels reached in 2010.
- Waste Management Revenues (page 11, chart 2.20) – [positive trend] – these revenues are realized from the sale of recycled materials and during the recession they dropped significantly with the sharp decline in commodity prices (steel, plastics and fibres). At the end of August, YTD revenues were up by +21% compared to 2010 and were significantly above/better than budgeted levels.
- City cost of social assistance (page 10, chart 2.16) – [stable trend to date but future increases in caseload may have an impact] – this is an area of costs closely monitored as it could be impacted by unexpected increases in the social assistance caseload. Results on a YTD basis to the end of June show the amount to be relatively unchanged from 2010 levels and generally in line with the 2011 budget.

## **Community Vulnerability Indicators**

- Ontario Mortgages in Arrears (page 6, chart 1.22) – [positive trend] – this indicator has been monitored because it has been a significant issue in the United States. To date, the rate of mortgage arrears in Ontario has remained well below 1%. Given the high level of household debt, a rise in mortgage interest rates could have a significant impact on future results. The eviction rate from rental housing would also be an important indicator to monitor but current data could not be obtained.
- Food Bank Usage (page 6, chart 1.23) – [positive trend] – on a June YTD basis, client visits to the Daily Bread Food Bank totaled over 355,418 representing a favourable decrease of -12.7 % from the same period in 2010. This decrease is likely caused by a combination of 2011 numbers stabilizing after high 2010 levels, along with cheques received by individuals and families under the Ontario Sales Tax Transition Benefit program possibly reducing need.
- Wait List for Social Housing Units (page 11, chart 2.21) – [negative trend] – the wait list continues to grow each month and in June 2011 was +7.2 % higher than a year earlier.

- Social Assistance Caseload (page 11-12, charts 2.24 to 2.26) – [negative trend] – as of July 2011 the total social assistance caseload increased by +7.6% from a year earlier, with the single caseload up by +6.4% and the family caseload +4.0% higher. The total caseload level is within 2011 budgeted levels, but is expected to continue rising in 2012 and could be further impacted if global economic conditions worsen. This increasing trend in caseload appears contrary to the decreasing unemployment rate and number of EI recipients discussed earlier. However, many individuals who lose their jobs are not eligible to receive EI benefits (less than 20% are eligible), because of the significant numbers of people who work part-time or in contract jobs. For those ineligible to receive EI benefits or who were eligible but have exhausted their EI benefits, their only recourse is Social Assistance.
- Percentage of Toronto Population Receiving Social Assistance (page 12, chart 2.27) – [negative trend] – at the end of June 2011, approximately 9.8% of Toronto's population were recipients of social assistance, which was an increase from the comparable figure of 9.3% in June 2010. This percentage is also considerably higher than the surrounding Greater Toronto Area municipalities.
- Emergency Shelter Use (page 13, 2.28 & 2.29) – [positive trend] – The average number of beds used per night in emergency shelters in the second quarter of 2011 was relatively unchanged from 2010 for singles, and was down by -3.7% in family shelters and significantly lower when compared to 2009. Family shelter use is closely tied to immigration and refugee trends, and occupancy changes dramatically in response to changes in federal immigration policies. The family shelter system is able to expand and contract to respond to these changes, through contracts with motel operators.
- Wait List for a Child Care Fee Subsidy (page 14, chart 2.33) – [negative trend] – as of June 2011, the wait list has increased by +8.7% from June of 2010.
- Sports and Recreation Programs
  - Registered Program Enrolment (page 15, chart 2.34) – [positive trend] – winter program enrolment in 2011 was virtually unchanged from 2010, while spring program enrolment increased by +3.5%.
  - Welcome Policy Registrations (page 16, chart 2.39) – winter, and spring registrations under the Welcome Policy in 2011 showed increases of +18.2% and +13.4% respectively in relation to 2010, with the increase likely due to awareness programs.
  - Priority Centre Registered Program Enrolment (page 16, chart 2.40) – winter and spring program enrolment in 2011 increased by +13.5% and +20.0% respectively over 2010 levels. This increase may be due to an increase in the number of courses offered. As of September 2011 adults using Priority



Centres are being charged a fee, which may reduce the number of registrations in Priority Centres in the coming months.

- Library Use (page 17, charts 2.42 & 2.45) – [positive trend] – on a YTD basis to the end of the second quarter, library visits increased by +3.4 compared to 2010 and library circulation increased by +1.5%. One area of large growth is electronic workstation and wireless use (page 18, chart 2.43), which jumped by +23.7% relative to 2010.

## **Crime Rates**

- Total Criminal Incidents in 7 Crime Categories (page 18, chart 3.01) – [positive trend] – on a June YTD basis, the total number of criminal incidents of the 7 crime categories listed in the Dashboard, decreased by -8.4% over 2010 levels.
  - Individual Crime Categories (page 18, charts 3.02 to 3.08) – [positive trend] – of the 7 crime categories included in the total above (which excludes domestic violence), 6 showed decreases to the end of June 2011 relative to 2010, with the seventh category, murders unchanged.
  - Domestic Violence (page 20, charts 3.09 & 3.10) – [stable trend] – incidents of domestic violence to the end of June 2011 showed a decrease of -2.2% over 2010. Incidents where a call was received but no offence was alleged, increased by +2.7% over 2010.

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## **SIGNATURE**

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## **ATTACHMENTS**

Attachment A: Toronto's Management Information Dashboard Q2 2011 Results