



City Budget
2012

Community Partnership & Investment Program Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for City services.

2012–2021 Operating Budget

2012 OPERATING BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

TABLE OF CONTENTS

PART I: RECOMMENDATIONS	3
PART II: 2012 SERVICE OVERVIEW AND PLAN	
Program Map and Service Profiles	5
2012 Recommended Service Levels	5
2012 Service Deliverables	N/A
PART III: 2012 RECOMMENDED BASE BUDGET	
2012 Recommended Base Budget	6
2012 Recommended Service Changes	7
2013 and 2014 Outlook	10
PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS	
2012 Recommended New/Enhanced Service Priority Actions	N/A
PART V: ISSUES FOR DISCUSSION	
2012 and Future Year Issues	11
Issues Referred to the 2012 Operating Budget Process	N/A
APPENDICES	
Appendix 1: 2011 Performance	14
Appendix 2: 2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers	16
Appendix 3: Summary of 2012 Recommended Service Changes	18
Appendix 4: Summary of 2012 Recommended New/Enhanced Service Priority Actions	N/A
Appendix 5: Inflows / Outflows to/ from Reserves and Reserve Funds	N/A

Contacts: **Alan Cohen**
 Manager, Financial Planning
 Tel: (416) 392-3740

Tim Lam
 Senior Financial Planning Analyst
 Tel: (416) 397-4225

PART I: RECOMMENDATIONS

2012 Recommended Operating Budget (In \$000s)

	2011		2012 Recommended Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appvd. Budget		FY Incremental Outlook	
	2011 Appvd. Budget	2011 Projected Actual	2012 Recommended Base	2012 Recommended New/Enhanced	2012 Recommended Budget			2013	2014
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	48,976.3	48,976.3	42,580.8		42,580.8	(6,395.5)	(13.1)		
REVENUE	1,779.2	1,779.2				(1,779.2)	(100.0)		
NET EXP.	47,197.1	47,197.1	42,580.8		42,580.8	(4,616.3)	(9.8)		
Approved Positions									

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(4,719.7)	(4,616.3)	(103.4)	9.8%

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for the Community Partnership and Investment Program of \$42.581 million gross and \$42.581 million net, comprised of the following services:

<u>Service(s)</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Partnership Programs	35,891.8	35,891.8
Investment Programs	4,460.4	4,460.4
Administration	<u>2,228.6</u>	<u>2,228.6</u>
Total Program Budget	<u>42,580.8</u>	<u>42,580.8</u>

2. City Council approve the budget transfers totaling \$42.581 million from the Community Partnership and Investment Program Recommended Operating Budget to the following Programs to reflect the restructuring of the Community Partnership and Investment Program in 2012:

<u>Program(s)</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Economic Development & Culture	17,798.6	17,798.6
Social Development, Finance & Administration	15,480.2	15,480.2
Toronto Public Health	5,708.6	5,708.6
Shelter, Support & Housing Administration	2,254.0	2,254.0
City Planning	234.0	234.0
Facilities Management	<u>1,105.4</u>	<u>1,105.4</u>
Total Program Budget	<u>42,580.8</u>	<u>42,580.8</u>

3. The specific allocation of the respective Community Partnership and Investment Program's services be reported to the respective Standing Committees/Board in early 2012.

PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles

- The Community Partnership and Investment Program's Operating Budget provides funding for three services: Partnership Programs, Investment Programs, and Administration as noted in the following Program Map:



- *Partnership Programs* provide ongoing funding to support the delivery of specific services or activities. Partnership Programs support organizations and sustain the capacity within a particular sector to meet ongoing service need.
- *Investment Programs* provide project funding, which supports the delivery of time-limited activities and the development of new initiatives. Investment Programs provide short-term funding and assist in leveraging resources to increase the capacity and infrastructure within a particular section.
- *Administration Funding* supports the effective delivery of service and accountability of city funding delivered through funded organizations.

2012 Recommended Service Levels/ Service Deliverables

- The Community Partnership & Investment Program (CPIP)'s Program Map, services, activity, type, and associated service levels are currently under review. However, the Program's services are recommended to be transferred to their respective Programs areas and the allocation of the CPIP's funding programs will be reported with the respective City Program or Agency's Standing Committees or Board in early 2012.

PART III: RECOMMENDED BASE BUDGET

**2012 Recommended Base Budget
(In \$000s)**

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
			\$	%	2013	2014
GROSS EXP.	48,976.3	42,580.8	(6,395.5)	(13.1)		
REVENUE	1,779.2		(1,779.2)	(100.0)		
NET EXP.	47,197.1	42,580.8	(4,616.3)	(9.8)		
Approved Positions						

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 Rec'd Reduction vs. 2012 10% Reduction Target	Target %
2012 Reductions	(4,719.7)	(4,616.3)	(103.4)	9.8%

2012 Recommended Base Budget

- The 2012 Recommended Base Budget of \$42.581 million net is \$4.616 million or 9.8% below the Community Partnership & Investment Program's 2011 Approved Operating Budget of \$47.197 million net.
- The 2012 Recommended Base Budget of \$42.581 million net includes recommended major service changes of \$4.616 million, representing 9.8% of the 10% reduction target of \$4.720 million. (Please refer to 2012 Recommended Service Change Summary on P.7 for further information).
- The Community Partnership and Investment Program's Operating Budget does not fund any approved positions.

2012 Recommended Service Change Summary

(In \$000s)

Description	2012 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% of 2012 Budget Reduction Target	2013		2014	
	#	\$	\$	%	\$	# Pos.	\$	# Pos.
Base Changes:								
Base Expenditure Changes								
Base Expenditure Changes								
Base Revenue Changes								
Base Revenue Changes								
Sub-Total Base Budget Changes								
Service Efficiencies								
Sub-Total Service Efficiencies								
Revenue Adjustments:								
Sub-Total Revenue Adjustments								
Minor Service Impact:								
Sub-Total Major Service Impacts								
Major Service Impact:								
Arts & Culture		(1,939.0)	(1,939.0)	(4.1%)				
Community Services		(1,720.0)	(1,720.0)	(3.6%)				
Public Health		(634.3)	(634.3)	(1.3%)				
Shelter, Support & Housing Administration		(250.0)	(250.0)	(0.5%)				
Economic Development		(38.7)	(38.7)	(0.1%)				
City Planning		(26.0)	(26.0)	(0.1%)				
1652 Keele Street		(8.3)	(8.3)	(0.0%)				
Sub-Total Major Service Impacts		(4,616.3)	(4,616.3)	(9.8%)				
Total Service Changes		(4,616.3)	(4,616.3)	(9.8%)				

2012 Recommended Service Changes

- The 2012 recommended major service changes total \$4.616 million net. The approval of the major service changes will result in a reduction in community programs and project funding, and loss of volunteer opportunities.
- The recommended reduction reflects the application of a reduction strategy consistent with the 10% budget reduction approach applied to all City Programs and Agencies.

Major Service Impacts

Arts & Culture

- The Arts & Culture group is comprised of funding programs such as the Toronto Arts Council (TAC), the Major Culture Organizations, the Royal Winter Fair, the Local Art

Services Organizations, the Museums, Artscape, Culture Build, the Glen Gould Foundation Award, and the Music Garden, providing funding to programs/projects ranging from community arts programs and cultural infrastructure preservation projects to Internationally recognized events/organizations such as the Toronto International Film Festival, Art Gallery of Ontario, and Canadian Opera Company.

- Together these funding programs allocated \$19.389 million to 1,236 programs/projects, reached 14 million audience participants and created 25,000 volunteer opportunities in 2011. Approval of the recommended major service change of \$1.939 million will result in a reduction of approximately 138 programs and projects.

Community Services

- The Community Services group encompasses funding programs such as the Community Services Partnership Program, Findhelp Toronto, Graffiti Transformation, Access & Equity and Human Rights, Community Safety Investment, Service Development Program, Youth Led initiatives, Community Festivals, and Minor Recreation programs. These programs support projects and services in vulnerable neighbourhoods and communities with specific focus on seniors, children and youth, as well as immigrant women.
- Together these funding programs allocated \$17.200 million to 777 programs/projects and created 60,000 volunteer opportunities in 2011. Approval of the recommended major service change of \$1.720 million will result in a reduction of approximately 83 programs/projects, as well as 6,000 volunteer opportunities in 2012.

Public Health

- The Public Health group includes funding programs such as the Student Nutrition Program, AIDS Prevention program, and Drug Prevention program, providing funding to programs that provide affordable and nutritious food for children and youth in vulnerable neighbourhoods, and support local AIDS and drug prevention initiatives.
- Together these funding programs allocated \$6.343 million to 669 student nutrition programs (129,147 children and youth), 41 AIDS Prevention programs, and 30 Drug Prevention projects in 2011. Approval of the recommended major service change of \$0.634 million will result in a reduction of approximately 58 student nutrition programs (impacting 14,049 children and youth), eliminate the Global AIDS initiative and 2-3 fewer citywide HIV/AIDS programs, and 3 Drug Prevention projects.

Economic Development

- The Competitiveness, Creativity and Collaboration Investment Program provides funding to non-profit business organizations for projects that focus on increasing jobs and economic activity, strengthening strategic industry sectors, attracting new investment, and expanding existing businesses.

- The 2011 approved funding of \$0.387 million supports 8 to 10 projects. Approval of the recommended service change of \$0.039 million will result in a reduction of approximately 200 volunteer opportunities (2,000 volunteer hours) and approximately 3,000 attendee participants.

Shelter, Support & Housing Administration

- The Homeless Initiative Fund (HIF) provides funding to Drop-in Centres that are operated by non-profit community agencies to serve low-income individuals who are homeless or at risk of homelessness.
- In 2011, HIF funded 146 projects and agencies who assisted 4,915 households to access housing, 3,845 with social housing applications, 3,621 households to remain housed through stabilization services, and 995 households to avoid eviction.
- Approval of the recommended service change of \$0.250 million will result in a reduction of 2 investment projects and less training to housing help workers and drop-in workers.

City Planning

- The Toronto Heritage Grants Program is administered by the Heritage Preservation Services Unit of the City Planning Division to encourage the conservation of designated heritage properties in the City of Toronto. The 2011 approved funding of \$0.260 million provided funding to approximately 26 projects.
- Approval of the recommended service change of \$0.026 million will result in a reduction of approximately 5 heritage preservation projects in 2012.

1652 Keele Street

- 1652 Keele Street is a city-owned building occupied by community organizations for the delivery of local services. The annual funding of \$0.008 million was established in 2005 to offset the expected property taxes covering the period from 2005 to 2010. The community organizations have not received the annual grants of \$0.008 million to date, as the tax status of this building has not been resolved and property taxes have not been levied.
- Approval of the 2012 recommended reduction of \$0.008 million will result in the elimination of on-going financial support beyond 2011 to the community organizations occupying 1652 Keele Street to offset future property taxes.

2013 and 2014 Outlook:

- The recommended budget transfer totalling \$42.581 million from the Community Partnership and Investment Program Recommended Operating Budget to their respective Program or Agency in 2012, thereby eliminating the centralized grant budget with each grant program aligned with their City/Agency service areas and budget.

Part V: ISSUES FOR DISCUSSION

Issues Referred to the 2012 Operating Budget Process

Core Service Review Approvals

On September 26, 27, 2011, City Council received the following recommendation from the City Manager:

- *Reduce the Community Partnership and Investment Program based on consideration of existing legal obligations, and the following criteria: eliminate allocations where City funding represents less than five percent of the program budget or is less than \$10,000.*

Status:

- The core service review recommendation to eliminate allocations where City funding represents less than 5% of the program budget or is less than \$0.01 million was received by Council and the CPIP's 2012 Recommended Operating Budget has not been adjusted on that basis.
- Instead, the City Manager and Chief Financial Officer recommend a 10% reduction be applied to all grant program envelopes. This recommended budget reduction is consistent with the application of the 2012 reduction target applied to all other City Programs and Agencies.

Executive Commitment Requests

On September 19, 2011, Executive Committee requested the City Manager to report on the following:

- *3A: Restructuring the Community Partnership and Investment Program (CPIP) by transferring funding responsibility for non-arts grants to appropriate city divisions to be managed by program managers as potential Alternative Service Delivery methods, including Purchase of Service Agreements.*

Status:

- Consideration has been given to the restructuring of the CPIP Program and it is recommended that the grant program funding be transferred to appropriate City Programs and Agencies who manage the grant programs.
- The 2012 Recommended operating budget includes a recommendation to transfer the CPIP's to the respective Program or Agency in 2012 on page 12:

CPIP Services	2012 Budget (\$000s)	Programs
1 Arts & Culture	17,450.3	Economic Development & Culture
2 Community Services	15,480.2	Social Development, Finance & Administration
3 Public Health	5,708.6	Toronto Public Health
4 Competitiveness, Creativity, and Collaboration	348.3	Economic Development & Culture
5 Homeless Initiative Funds	2,254.0	Shelter, Support & Housing Administration
6 Heritage Grant	234.0	City Planning
7 Harbourfront Grant	750.0	} Facilities Management
8 Dovercourt Boys & Girls Club	71.3	
9 St. Albans Boys & Girls Club	23.9	
10 University Settlement Recreation Centre	260.3	
Total Transfer	42,580.8	

- It is also recommended that the allocation of the Community Partnership and Investment Program's services will be reported to the respective Program's Standing Committees or Agency Board in early 2012.
- *3B: Transferred all responsibility for arts and culture grants to the Toronto Arts Council, with an amended Terms of Reference and Council direction to include relevant criteria for city funding including, but not limited to: targets for leveraging of funds; contributions to the city's economic development strategy and objectives; targets and reportable measures for efficiency; etc.*

Background:

- The CPIP funding provided by the City to support arts and culture programming falls into three distinct categories:
 - \$11.5 million for TAC operation and grant allocations;
 - \$1.0 million of administration funding for the Royal Winter Fair and non-City museums: the Exhibition Place and Heritage Toronto have been identified during the program rationalization process as the more appropriate choices to administer these two programs other than TAC; and,
 - \$6.6 million of the CPIP arts and culture funding administered by program managers in Economic Development and Culture includes the Major Cultural Organizations, the Local Arts Service Organizations, Glen Gould Foundation Award, and funding for the Music Garden.
- The only portion of the CPIP arts and culture funding that could be administered by the TAC under the terms of an amended, Council approved agreement, is the \$6.6 million CPIP arts and culture funding for the Major Cultural Organizations, the Local Arts Service Organizations, Glen Gould Foundation Award, and the Music Garden

Status:

- The City Manager has considered the Executive Committee's request and is recommending that the Major Cultural Organizations, the Local Arts Service Organizations, Glen Gould Foundation Award, and the Music Garden activities continue to be administered by Economic Development and Culture staff. Funding will be transferred and managed within Economic Development and Culture beginning in 2012.
- *3C: Options that meet assigned CPIP budget reduction targets from grants freed-up by 3A above and from within the Economic Development and Culture division and its arts and culture programming not included in 3B above, where appropriate.*

Status:

- The 2012 Recommended Operating Budget of \$42.581 million net includes recommended major service changes of \$4.616 million, representing 9.8% of the 10% reduction target of \$4.720 million. CPIP was not reduced by a full 10% as the contractual agreement with Harbourfront Centre requires the City to provide a fixed value from April 2006 to March 2017, and that the Occupancy grant recipients, St. Alban Boy's and Girl's Club, Dovercourt Boy's and Girls' Club, and University Settlement Group, have already absorbed the increase in Solid Waste management fee and inflationary increase on utility expenses.

Appendix 1

2011 Performance

2011 Key Accomplishments:

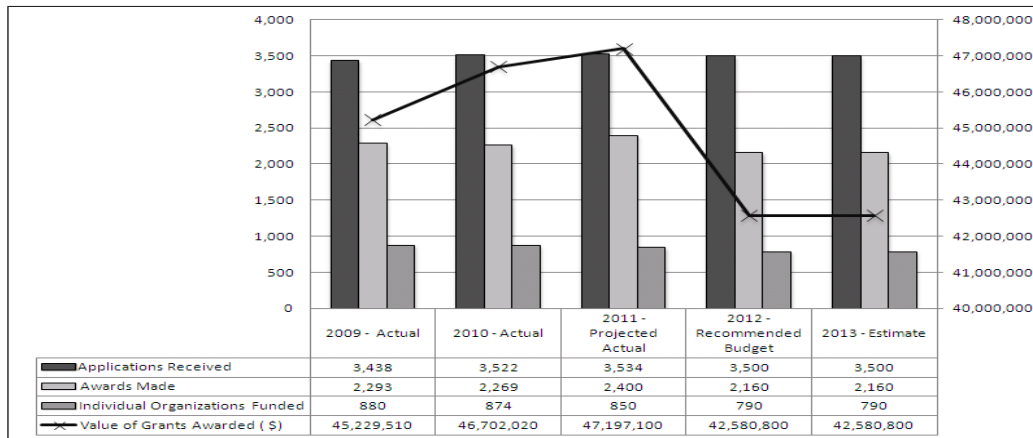
Community Partnership and Investment Program’s major accomplishments in 2011 are highlighted below:

- ✓ Provided funding to 698 projects in priority neighbourhoods;
- ✓ Funded 2,933 projects, and together these projects engaged 876 organizations and reached more than 16.0 million individuals;
- ✓ Increased civic participation with over 85,000 volunteers engaged in funded projects and contributed over 1.4 million volunteer hours; and,
- ✓ Continued the implementation of the online application process through the Corporate Grants Information System (CGIS) for Community Service Partnership Program, and accepted online application for 628 programs in 2011.

2011 Performance

2011 CPIP programs

- Demand is trending up
- Every \$1.00 of City support leverages \$10.00 from donations, fundraising, corporate donors and other levels of government



2011 Budget Variance Analysis

2011 Budget Variance Review (In\$000s)

	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	(In \$000s) \$	\$	\$	\$	\$	%
GROSS EXP.	45,743.5	49,506.8	48,976.3	48,976.3	-	-
REVENUES	687.8	2,932.1	1,779.2	1,779.2	-	-
NET EXP.	45,055.7	46,574.7	47,197.1	47,197.1	-	-
Approved Positions						

* Based on the Third Quarter Operating Budget Variance Report.

2011 Experience

- Community Partnership and Investment Program's Third Quarter Variance report projects that the 2011 Approved Operating Budget of \$47.197 million net will be fully spent by year-end.

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- There is no impact of the 2011 Operating Variance on the 2012 Recommended Budget.

Appendix 2

2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2009 Actual	2010 Actual	2011 Budget	2011 Projected Actual	2012 Recommended Budget	2012 Change from 2011 Approved Budget		2013 Outlook	2014 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits									
Materials and Supplies									
Equipment									
Services & Rents									
Contributions to Capital									
Contributions to Reserve/Res Funds									
Other Expenditures	45,743.5	49,506.8	48,976.3	48,976.3	42,580.8	(6,395.5)	(13.1%)	(42,580.8)	
Interdivisional Charges									
TOTAL GROSS EXPENDITURES	45,743.5	49,506.8	48,976.3	48,976.3	42,580.8	(6,395.5)	(12.9%)	(42,580.8)	
Interdivisional Recoveries									
Provincial Subsidies	396.0								
Federal Subsidies									
Other Subsidies									
User Fees & Donations	13.8								
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve	278.0	2,932.1	1,779.2	1,779.2		(1,779.2)	(100.0%)		
Sundry Revenues									
TOTAL REVENUE	687.8	2,932.1	1,779.2	1,779.2		(1,779.2)	(60.7%)		
TOTAL NET EXPENDITURES	45,055.7	46,574.7	47,197.1	47,197.1	42,580.8	(4,616.3)	47.8%	(42,580.8)	
APPROVED POSITIONS									

2012 Key Cost Drivers

- The increases in both gross expenditure and contribution from reserve funds experienced from 2009 to 2010 reflect a 2.0% inflationary increase for all grants envelopes (\$0.889 million applied to all the CPIP grant programs); increased investments in the Student Nutrition Program (\$0.876 million), Community Service Partnership (\$0.600 million), Toronto Art Council Grants (\$0.207 million), and Toronto International Film Festival (\$0.107 million) in 2010; and one-time projects funded from Section 37 grants to third parties (\$2.660 million).
- The reduction in gross expenditures of \$0.531 million and revenue of \$1.153 million in 2011 is mainly due to the reversal of 2010 one-time Section 37 reserve funding of

\$2.660 million to outside parties, which is partially offset by the transfer of Luminato's 2011 Operating Budget of \$0.200 million gross and net from the Non-Program Operating Budget to establish the City's ongoing contribution to this event, as well as the one-time Section 37 grants approved by City Council during 2011 (\$1.779 million).

- The reduction in gross expenditures of \$6.396 million in 2012 reflects the reversal of one-time Section 37 funding of \$1.779 million approved in 2011 and the 2012 recommended service change of \$4.616 million. The reduction in revenue of \$1.779 million in 2012 reflects the reversal of one-time Section 37 reserve funding approved in 2011.

Appendix 3

Summary of 2012 Recommended Service Changes