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June 4, 2013

Ms Ulli Watkiss  
City Clerk  
12<sup>th</sup> Floor, West Tower, City Hall

**Re: Administrative Inquiry from Councillor Mary Fragedakis, May 27, 2013,  
Direct, Indirect, and Opportunity Costs Associated with the Casino File**

Dear Ms. Watkiss,

This letter is in response to the Administrative Inquiry from Councillor Mary Fragedakis dated May 27, 2013 regarding direct, indirect and opportunity costs associated with the casino file.

**(1) City of Toronto Staff Time**

From May 2012 to May 2013 under the coordination of the City Manager's office, the following City divisions were significantly involved in negotiations, public consultations, and researching and reporting on the issue of new casino development in Toronto:

- City Planning
- Corporate Finance
- Economic Development & Culture
- Legal Services
- Social Development, Finance & Administration
- Strategic & Corporate Policy
- Toronto Public Health

In addition the following divisions, agencies and corporations have provided input and support to the work conducted on the casino issue:

- Exhibition Place
- Purchasing and Materials Management
- Strategic Communications
- Toronto Employment & Social Services
- Toronto Transit Commission
- Transportation Services
- Waterfront Secretariat

In total twelve staff reports were prepared responding to various Committee directives. This includes two comprehensive City Manager reports to Executive Committee in November, 2012 and April, 2013, eight reports to Toronto and East York Community Council, and two reports to the Board of Health. An intensive public consultation process was developed and implemented over the months of December 2012 through January 2013.

Approximately twenty-five staff members were involved in the preparation of the final report to the April 15, 2013 Executive Committee and the public consultation process. Also, approximately fifty additional staff members were involved in supporting various aspects of the consultation process primarily staffing the five public meetings held in January 2013.

Staff responsibilities include preparation of major corporate reports which are forecasted annually per Council strategic directions and with appropriate re-adjustment of staff resources to meet Council timeframes. Accordingly, there has been no budget adjustments related to staff time.

Non-salary costs (excl. HST) incurred by the City associated with the public consultation, totalled approximately \$57,100. This includes \$36,200 in advertising, \$12,200 for translation services, \$3,500 american sign language (ASL) interpretation services, \$2,400 for printing and display board costs, and \$2,800 for room rental. DPRA was engaged as a third party consultant to plan and support delivery of the consultation (see below).

## (2) Consultants

The City engaged consultants to support research and analysis, deliver the public consultation process, and conduct a telephone poll. External consultant work was needed in order to validate economic and financial research and analysis (Ernst & Young), support the delivery of the public consultation under compressed timelines (DPRA), and provide supplementary public input on the casino matter (Environics). The following table provides a summary of the total cost inclusive of expenses where applicable:

<b>Consultant</b>	<b>Description</b>	<b>Amount (excl. HST)</b>
Ernst & Young	Report, research and analysis	\$135,000.00
DPRA	Organization of public consultation, development of materials and final report.	\$155,000.00
Environics	Telephone poll and report	\$22,000.00
<b>Total</b>		<b>\$313,000.00</b>

The consultant costs were funded by non-program accounts related to corporate studies.

## (3) Opportunity Costs

In summary, significant staff time and resources were utilized over the course of the last year to provide research, analysis, report development, and public consultation activities in relation to the OLG's proposed expansion of gaming in Toronto.

However, as with all major initiatives, City staff adapted to the work load associated with the casino issue through extended work hours and reprioritization as required, thus minimizing significant delays in other projects and with no additional impact on the City's 2012/2013 operating budgets.

Yours truly,

Joseph P. Pennachetti  
City Manager