

2016 OPERATING BUDGET BRIEFING NOTE

Toronto and Region Conservation Authority: 2013-2016 Trends for Specific Expenditure Accounts

Issue/Background:

The Budget Committee at its meeting of December 15, 2015, requested the City Manager to provide briefing notes to the January 5, 2016 meeting. The motion requires detailed reporting on specific expenditure accounts that would include actual spending from 2013 to 2015, together with the corresponding 2016 Preliminary Budget estimates.

The following is a summary of the TRCA expenditures for the categories requested:

Type of Expenditure	2016 Budget	2015 Budget	2014 Actuals	2013 Actuals	Comments
-Mailing	42,400	43,900	36,707	32,159	Minor budget for postage
- Advertising and Promotion	269,300	268,300	254,205	268,012	Reduction will impact revenue, especially for Black Creek Pioneer Village
- Office Supplies	98,700	101,900	104,235	112,654	Minor budget
- Travel	236,510	214,160	163,656	175,131	TRCA has a very large jurisdiction, with many venues and project and work locations.
- Training/Conferences	221,500	221,450	195,818	200,720	This amounts to approximately \$540/FTE.
- Material and Equipment – Communications	500	0	none	none	
- Rental of Office Equipment	60,000	40,500	56,769	70,412	TRCA uses the provincial VOR in order to secure the best rates.
- Contracted Services – Renovations	558,400	532,100	483,433	380,945	Reduction will impact visitor attendance and revenues at parks and BCPV. TRCA has an obligation to maintain its rental portfolio.
- Material and Equipment Hand Tools	23,200	17,600	53,469	40,685	Minor budget
- Professional and Tech-Management Fees	379,000	429,000	341,764	327,220	Covers mostly legal and audit fees. Both will be tendered in 2016.
- Catering Services	77,700	37,000	64,862	38,087	For special and committee meetings. 2016 increase related to special 60th AGM.
	1,967,210	1,905,910	1,754,917	1,646,027	

Key Points:

- TRCA does not use an account tracking system that completely aligns with the categories identified by the City of Toronto. Best efforts have been applied to align as close as possible.
- Some of these expenditure categories such as advertising and promotion relate to revenue generating activities and cannot be reduced without a corresponding impact on revenues.
- TRCA has no mechanism to isolate discretionary vs. non-discretionary. It is estimated that approximately 2/3 of the expenditures are non-discretionary and any reduction would directly impact revenue generation.
- Expenditure amounts shown in each category are for the entire jurisdiction and not specific to the City of Toronto area. These expenditures are also funded by Peel, York and Durham Regions. Some expenditures are 100% covered by grants and funding from other levels of government and their reduction would not result in any net savings.
- TRCA's total budget is approved by all partner municipalities. Therefore, the City of Toronto share must maintain the ratio between these municipalities according to its share of the overall TRCA property tax assessment base.
- As a result of the funding ratios, any reduction to the City's support to TRCA's budget would require proportional reductions in funding from the other municipalities.
- In the 2016 Operating Budget, the tax-supported cost to deliver these services to Toronto residents in 2016 is \$3.543 million and the rate supported cost (contribution from Toronto Water) is \$4.713 million for a total City of Toronto cost of \$8.256 million.
- Approximately 20% of the operating estimates provided in the table are covered by the City of Toronto.

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