

Date: Tuesday, January 24, 2017

Vote Required: Majority

Item: 2017.BU30.1

Moved by: Councillor Gary Crawford

That the 2017 Preliminary Operating Budget be amended as follows:

1. That the 2017 Preliminary Operating Budget be increased by \$24.698 million gross and \$29.930 million net, with associated increases in the total staff complement of 57.8 positions and service level changes based on approval of the following:

a. An increase of \$3.168 million gross and \$3.203 million net in 2017 and associated increase in the staff complement of 15.7 positions and service levels to reflect the reversal of service adjustments included in the 2017 Preliminary Operating Budget, as specified in Table 1 below:

**Table 1
Reversal of Service Adjustments included in 2017
Preliminary Operating Budget**

	2017			2018		2019	
	\$		Positions	\$	Positions	\$	Positions
Program ('000s)	Exp	Net		Net		Net	
Economic Development & Culture							
Combine Cavalcade of Lights & New Year's Eve as a Larger Event	85.4	120.0					
5% Reduction to Grants, Sponsorships & Transfers funded by EDC	40.0	40.0					
Minor Reduction to Arts & Culture Funding	131.0	131.0					

Economic Development & Culture Total	256.4	291.0					
Parks, Forestry & Recreation							
Parks Plan-Reverse 2016 Enh Horticulture & Urban Agriculture	422.6	422.6	4.6				
Parks Plan - Reverse 2016 Enhanced Maintenance	217.1	217.1	2.1				
Parks, Forestry & Recreation Total	639.8	639.8	6.7				
Shelter, Support & Housing Administration							
Program Delivery Model Change at Adelaide Resource Centre	795.5	795.5	8.0				
Shelter, Support & Housing Administration Total	795.5	795.5	8.0				
Social Development, Finance & Administration							
Reverse CIP 2017 2% Inflationary Increase	382.0	382.0					
Social Development,							

Finance & Administration Total	382.0	382.0					
Transportation Services							
Harmonize Leaf Collection - Etobicoke York	771.8	771.8					
Reduce Grass Cutting From 7 to 6 Cuts Per Season	204.6	204.6					
Transportation Services Total	976.4	976.4					
City Manager's Office							
Reverse the deletion of one health and safety position	117.9	117.9	1.0				
City Manager's Office Total	117.9	117.9	1.0				
Grand Total	3,167.9	3,202.6	15.7				

b. A decrease in new user fee revenue of \$2.0 million in 2017 and an incremental \$1.443 million in 2018 to reflect the reversal of the new rental fees for commercial film productions included in Transportation Services's 2017 Preliminary Operating Budget, as detailed below in Table 2;

Table 2
Reversal of New User Fees

Program ('000s)	2017			2018 (Incremental)		2019 (Incremental)	
	\$		Positions	\$	Positions	\$	Positions
	Exp	Net		Net		Net	
Transportation Services							
Right-of-Way Rental Fees for Commercial		2,000.0		1,442.5			

Film Productions						
Transportation Services Total		2,000.0		1,442.5		

c. A decrease in the 2017 Preliminary Operating Budget of \$2.709 million gross and \$2.284 million net and an associated reduction in the staff complement of 6 positions and changes to service levels in 2017, resulting an incremental reduction of \$.053 million in 2018 to reflect the addition of service changes in the 2017 Preliminary Operating Budget not currently included but distributed in a list to the Budget Committee for consideration with the 2017 Operating Budget; as specified in Table 3 below:

Table 3
Additional Service Changes to be included the 2017 Preliminary Operating Budget

Program ('000s)	2017			2018 (Incremental)		2019 (Incremental)	
	\$		Positions	\$	Positions	\$	Positions
	Exp	Net		Net		Net	
Economic Development & Culture							
Reduce Previously Budgeted Nuit Blanche Enhancements in 2016	(142.2)	(142.2)					
Economic Development & Culture Total	(142.2)	(142.2)					
Toronto Public Health							
Health Promotion Efficiencies	(96.7)	(24.2)	(2.0)	(25.2)			
Management Rationalization & Restructuring	(470.5)	(117.6)	(4.0)	(27.5)			
Toronto Public	(567.2)	(141.8)	(6.0)	(52.7)			

Health Total							
Transportation Services							
Reduce Street Sweeping on Arterial Roads to 1 per month	(2,000.0)	(2,000.0)					
Transportation Services Total	(2,000.0)	(2,000.0)					
Grand Total	(2,709.4)	(2,284.0)	(6.0)	(52.7)			

d. An increase in the 2017 Preliminary Operating Budget of \$8.123 million gross and \$7.690 million net and associated increases in the staff complement of 12.5 positions and service levels, with an incremental increase of \$1.607 million net in 2018 and \$0.150 million net in 2019, based on the addition of funding for new and/or enhanced services not currently included but distributed to Budget Committee for consideration with the 2017 Preliminary Operating Budget as specified in Table 4 below:

Table 4
New/Enhanced Services to be Included in the 2017 Preliminary Operating Budget

Program ('000s)	2017			2018 (Incremental)		2019 (Incremental)	
	\$		Positions	\$	Positions	\$	Positions
	Exp	Net		Net		Net	
Children's Services							
Add 75 Child Care Subsidies as Directed by Council in 2016	750.0	750.0					
Children's Services Total	750.0	750.0					
Economic Development & Culture							
Growing Toronto's Screen Industry - A	180.0	180.0					

Film Friendly City							
Economic Development & Culture Total	180.0	180.0					
Engineering & Construction Services							
Review Impacts of Other Gov't / Agency Projects	118.3	118.3	1.0				
Engineering & Construction Service Total	118.3	118.3	1.0				
Fire Services							
Solicitor Required to Address Fire Code & Safety Violations	140.4	140.4		70.2			
Conveyance Clerk to process Fire Code Violations	56.1	56.1		28.1			
Fire Services Total	196.6	196.6		98.3			
Transportation Services							
Divisional Service Delivery Review	1,000.0	1,000.0		(1,000.0)			
Mgmt of Contaminated Lands-Sr Environt Proj Mgr (Regulatory)	142.2	142.2	1.0				
Street Lighting Assets Condition Assessment	800.0	800.0		(800.0)			
Transportation	1,942.2	1,942.2	1.0	(1,800.0)			

Services Total							
Legal Services							
Conveyance Clerk to support Fire Services	56.1		1.0				
Additional Solicitors for Fire Services	140.4		1.0				
Legal Services Total	196.6		2.0				
Theatres							
Bring in New Leadership for Civic Theatres	633.0	633.0	1.0	(633.0)			
Theaters Total	633.0	633.0	1.0	(633.0)			
Toronto Public Health							
Student Nutrition Program-Strengthen Current Program	1,145.3	1,145.3		1,396.4			
Student Nutrition Program - Expansion	958.4	958.4		1,067.6			
Toronto Urban Health Fund - Year 3	150.0	37.5		150.0		150.0	
Health Hazard and Food Safety Inspections	165.8	41.5	2.5	22.4			
Toronto Public Health Total	2,419.5	2,182.7	2.5	2,636.4		150.0	
Toronto Public Library							
Internet Wi Fi hotspot lending enhancement	150.0	150.0					
Sunday open hours - year round service	139.3	139.3		105.5			

at District branches							
Toronto Public Library Total	289.3	289.3		105.5			
Toronto Transit Commission							
Fit For Duty	1,300.0	1,300.0					
Transit Enforcement Officers - Increased Powers	98.0	98.0	5.0	1,200.0			
Toronto Transit Commission Total	1,398.0	1,398.0	5.0	1,200.0			
Grand Total	8,123.4	7,690.0	12.5	1,607.2		150.0	

e. A further increase in the 2017 Preliminary Operating Budget of \$14.599 million gross and \$12.570 million net and associated increases in staff complement of 29 positions and service levels to reflect the addition of funding to advance the following new service priorities and as specified in Table 5 below:

i. An increase of \$2.253 million in the Children Services' 2017 Preliminary Operating Budget to enhance access to childcare by adding 225 new childcare subsidies;

ii. An increase of \$6.0 million in Shelter, Support and Housing Administration's 2017 Preliminary Operating Budget as an increase in the subsidy for Toronto Community Housing to complete Phase 3 of Regent Park Revitalization in accordance with the recommendations in the report entitled "City Funding Request for Regent Park Phase 3 – Rental Blocks 16 North and 17 North" from the Deputy City Manager and Chief Financial Officer and Deputy City Manager Cluster A (BU30.1ac)

iii. A total increase of \$1.640 million to strengthen the City's financial oversight and accountability by providing the following:

a. A temporary increase of \$1.0 million in the Auditor General's 2017 Preliminary Operating Budget and for the 3-year period from 2017 to 2019 to provide additional capacity to undertake value for money audits and

investigations subject to a report back to Audit and Executive Committees from the Auditor General on a revised 2017 audit work plan and that temporary planned increases of up to \$1.5 million in 2018 and an additional \$2.4 million in 2019 be subject to consideration in future year budget processes together with revised audit work plans;

b. An increase of \$0.500 million in the City Manager Office's 2017 Preliminary Operating Budget to provide additional internal audit capacity to improve management and operational controls and risk management practices in the City; and

c. An increase of \$0.140 million in the Chief Financial Officer's 2017 Preliminary Operating Budget for 1 position to provide added capacity in the Financial Planning Division to undertake the City's long-term financial planning, analytics and performance reporting initiatives.

iv. An increase in Parks, Forestry and Recreation's 2017 Preliminary Operating Budget of \$2.26 million comprised of \$1.2 million to expand the City's tree canopy by increasing tree plantings by 17,000 from 103,000 to 120,000 in 2017 and \$1.06 million for the development of private partnerships for new tree planting and tree care on private lands, subject to a report back from the General Manager, Parks, Forestry and Recreation to the Parks and Environment Committee on a strategy and plan on how the City can expand its tree canopy on private lands;

v. A total increase of \$1.806 million gross and \$0 net, to be funded from the Development Application Review Reserve and an associated increase in the staff complement of 17 temporary positions for a 2 year period to meet current development application review service levels, as recommended in the report entitled "Additional Staffing Resources for Development Application Review – Recommendation Report" from the Deputy City Managers Cluster A, B; Deputy City Manager and Chief Financial Officer and the Interim City Solicitor (BU30.1x) requiring the following budget adjustments:

a. An increase of \$0.260 million gross and \$0 net in Parks, Forestry and Recreation's 2017 Preliminary Operating Budget and an associated increase of 3 temporary positions to March 31, 2019;

- b. An increase of \$0.890 million gross and \$0 net in City Planning's 2017 Preliminary Operating Budget and an associated increase of 9 temporary positions to March 31, 2019; and,
- c. An increase of \$0.656 million gross and \$0 net in Legal Services' 2017 Preliminary Operating Budget and an associated increase of 5 temporary positions to March 31, 2019.
- vi. An increase of \$0.333 million in the Facilities, Real Estate, Environment and Energy 2017 Preliminary Operating Budget and an associated increase of 6 positions and service levels to make progress on the following key TransformTO priorities: innovative financing, promote smart commuting and enhance better building partnerships, as outlined in the report entitled " TransformTO Short-term Strategies Financial Estimates" from the Chief Corporate Officer for strategies 1.2; 4.5 and 1.1, respectively;
- vii. A one-time increase of \$0.010 million in Information and Technology's 2017 Preliminary Operating Budget to undertake an Open Source Data pilot;
- viii. An increase of \$0.297 million gross and \$0.074 million net in Toronto Public Health's 2017 Preliminary Operating Budget and an associated increase of 4 positions and service levels to implement urgent actions to begin response training and prevention of opioid overdoses in the City of Toronto in accordance with the recommendations in the report entitled "Toronto Overdose Action Plan Update" from the Acting Medical Officer of Health (BU30.1ah)
- f. That the 2017 Preliminary Operating Budgets, staff complement and service levels of the specified City Programs and Agencies be amended as detailed in Table 5 below:

**Table 5
New Service Priorities**

	2017			2018 (Incremental)		2019 (Incremental)	
	\$		Positions	\$	Positions	\$	Positions
	Exp	Net		Net		Net	
Program ('000s)							
Children's Services							
Additional 225 child care							

subsidies to enhance access to child care	2,253.0	2,253.0					
Children's Services Total	2,253.0	2,253.0					
Park, Forestry & Recreation							
Tree Canopy to increase trees planted	2,260.0	2,260.0					
Additional Staffing Resources for Development Application Review	259.5		5.0				
Park, Forestry & Recreation Total	2,519.5	2,260.0	5.0				
Shelter, Support & Housing Administration							
For TCHC to complete Phase 3 of Regent Park Revitalization	6,000.0	6,000.0					
Shelter, Support & Housing Administration Total	6,000.0	6,000.0					
City Planning							
Additional Staffing Resources for Development Application Review	890.0		9.0				
City Planning Total	890.0		9.0				
Information Technology							
Open Source Data pilot	10.0	10.0		(10.0)			

Information Technology Total	10.0	10.0		(10.0)			
Facilities, Real Estate, Environment & Energy							
TransformTO short-term strategy:							
Innovative financing	60.0	60.0	1.0				
Promote smart commute	40.0	40.0	1.0				
Enhance better buildings partnership (prorated)	233.3	233.3	4.0				
Facilities, Real Estate, Environment & Energy Total	333.3	333.3	6.0				
Chief Financial Officer's Office							
To provide added capacity for long term financial planning	139.6	139.6	1.0				
Chief Financial Officer's Office Total	139.6	139.6	1.0				
City Manager's Office							
To increase the city's internal audit capacity	500.0	500.0	3.0				
City Manager's Office Total	500.0	500.0	3.0				
Legal Services							

Additional Staffing Resources for Development Application Review	656.3		5.0				
Legal Services Total	656.3		5.0				
Office of the Auditor General							
Year 1 of office budget increase to ramp up number of investigations	1,000.0	1,000.0		1,500.0		1,400.0	
Office of the Auditor General Total	1,000.0	1,000.0		1,500.0		1,400.0	
Toronto Public Health							
Short-term measures to prevent and respond to overdoses	297.0	74.0					
Toronto Public Health Total	297.0	74.0					
Grand Total	14,598.7	12,569.9	29.0	1,490.0		1,400.0	

g. That the following bridging strategies included in the 2017 Preliminary Operating Budget totalling \$1.517 million gross and \$6.752 million net with a staff complement reduction of 6.6 positions be reversed and/or replaced with property tax funding to improve the City's financial sustainability thereby increasing the 2017 Preliminary Operating Budget of the Divisions and Agencies, as specified in Table 6 below, and reducing the equivalent budget pressure in 2018 accordingly:

**Table 6
Reversal of Bridging Strategies**

Program	2017			2018 (Incremental)		2019 (Incremental)	
	\$		Positions	\$	Positions	\$	Positions
	Exp	Net		Net		Net	

('000s)							
Children's Services							
Replace 2017 Reserve Draw with tax funding and eliminate need for 5-year funding plan		2,716.8		(2,716.8)			
Children's Services Total		2,716.8		(2,716.8)			
Parks, Forestry & Recreation:							
Reverse deferral of 2017 PFR OIC - BMX Op costs	60.2	54.3	1.0	(54.3)	(1.0)		
Reverse deferral of OIC - UF Trails	136.2	136.2	2.0	(136.2)	(2.0)		
Reverse deferral of OIC for Birchmount Community Centre	27.6	27.6		(27.6)			
Reverse deferral of OIC due to Timing for Delivery	409.2	409.2	3.6	(409.2)	(3.6)		
Parks, Forestry & Recreation Total	633.2	627.4	6.6	(627.4)	(6.6)		
Information & Technology:							
Reverse							

deferral of LAN Activation Network	33.0	33.0		(33.0)			
Reverse deferral of ISP Bandwidth Upgrade Strategy to 2018	35.0	35.0		(35.0)			
Replace use of Time-limited Expenses from Tax Stabilization Reserve with tax funding		1,004.6		(1,004.6)			
Information & Technology Total	68.0	1,072.6		(1,072.6)			
City Clerk's Office: Reverse							
One-time 1% Reduction in Benefits	238.9	238.9		(238.9)			
One-time Gap Positions for Staff on Secondment to Union or Other Divisions	201.8	201.8		(201.8)			
One-time increase in Gapping	375.4	375.4		(375.4)			
City Clerk's Office Total	816.1	816.1		(816.1)			
Toronto Transit Commission							

Replace portion of TTC Reserve Draw from TTC Stabilization Reserve with tax funding		1,518.5		(1,518.5)			
Toronto Transit Commission Total		1,518.5		(1,518.5)			
Grand Total	1,517.3	6,751.5	6.6	(6,751.5)	(6.6)		

2. That the above net increase to the 2017 Preliminary Operating Budget of \$29.930 million as well as the remaining operating budget pressure of \$90.570 million as outlined in the 2017 Budget Presentation on December 6, 2016 be offset by the following expenditure and revenue adjustments to the 2017 Preliminary Operating Budget totalling \$120.5 million net:

- a. Increase the 2017 commercial property tax rates to the maximum allowed 50 percent of the residential property tax rate increase, that will result in an estimated net revenue of \$3.8 million;
- b. In respect of the City's Municipal Land Transfer Tax (MLTT) and effective for all transactions registered or upon which MLTT otherwise becomes payable on or after March 1, 2017,
 - i. Harmonize rates with the current Ontario Land Transfer Tax (LTT) rates, so that the MLTT tax rates will be as follows, with an estimated net revenue of \$77 million in 2017:

Value of Consideration	Residential (SFR)*		All other properties (non-SFR)	
	Current	Proposed	Current	Proposed
\$0-\$55,000.00	0.50%	0.50%	0.50%	0.50%
\$55,000.01 - \$250,000.00	1.00%	1.00%	1.00%	1.00%
\$250,000.01 - \$400,000.00	1.00%	1.50%	1.00%	1.50%
>\$400,000.00	2.00%	2.00%	1.50%	2.00%
>\$2 million		2.50%		

>\$40 million			1.00%	
* Residential = properties with not more than 2 single-family residences (SFR). All other properties = non-SFR				

- ii. Increase the maximum MLTT rebate for first-time homebuyers (FTHB) from \$3,725 to \$4,475 so as to provide a rebate for transactions with values of consideration up to \$400,000 for eligible FTHBs, with an estimated net cost of \$9 million in 2017.
 - iii. Amend the FTHB program eligibility rules to make them consistent with the current Ontario Land Transfer Tax (LTT) FTHB rebate rules by restricting rebate eligibility to Canadian citizens or permanent residents of Canada.
 - iv. Amend the City of Toronto Municipal Code Chapter 760, Taxation, Municipal Land Transfer Tax to reflect the changes detailed in Recommendation 2(b) and authorize the Chief Financial Officer to amend the City's Collection Agreement with Teranet to allow Teranet to collect the MLTT in accordance with these changes.
 - v. Increase the 2017 Preliminary Non-Program Revenue Budget by \$77 million net.
- c. Increase the 2017 Preliminary Non-Program Revenue Budget for net MLTT revenue budget by \$15 million, to reflect an increase in the projected actual 2016 net revenue from \$625 million to \$640 million.
- d. Increase the 2017 Preliminary Non-Program Revenue Budget by \$10 million net to reflect i) a \$15 million increase to the Toronto Hydro Corporation dividend expectation from \$60 million to \$75 million, and ii) foregone investment revenue of \$5 million due to the Council approved equity contribution of approximately \$250 million to Toronto Hydro Corporation.
- e. Subject to receiving the necessary legislative authority;
- i. Endorse the creation of a Hotel and Lodging Tax in the City of Toronto, at rates of 4% of hotel accommodation revenues, and up to 10% of short term rental revenues;
 - ii. Increase the 2017 Preliminary Non-Program Revenue Budget by \$5 million to reflect the estimated 2017 revenue from a Hotel and Lodging Tax as soon as practical in 2017;

and,

- iii. **Direct staff to report back on the proposed design features and implementation authorities, including a revenue allocation policy, and status of the required legislative authority, for implementation effective as soon as practical in 2017.**

- f. **Increase the 2017 Preliminary Non-Program Revenue Budget by \$6.3 million to reflect the increase in the income-sharing between the City and the Toronto Parking Authority from 75% to 85% of net income, as recommended in the report entitled "Net Income Sharing Agreement Renewal with the Toronto Parking Authority" from the Deputy City Manager and Chief Financial Officer and the President of the Toronto Parking Authority (BU30.1af);**

- g. **With respect to the Vacancy Rebate Program:**
 - i. **Request the Minister of Finance by regulation, to allow the City to reduce the allowable rebate percentage for vacant commercial and industrial properties under the program by half for 2017 effective July 1, 2017, and to eliminate the program in its entirety for future years,**

 - ii. **Subject to receiving the necessary regulation, request the Deputy City Manager and Chief Financial Officer to report back on the proposed design, re-investment priorities based on Council's previously approved motions, timing, implementation requirements and any by-laws as may be required, as soon as practical.**

 - iii. **Reduce the 2017 Preliminary Non-Program Expenditure Budget by \$5.5 million to reflect the change to the vacancy rebate program requested in 2f (i) above.**

- h. **Reduce the Non-Program Expenditure Budget by \$7.3 million for the Solid Waste Rebate Program to advance the City's waste diversion targets by reducing the rebate for medium and large bins by \$1 per bag per month, and**

- i. **Reduce Assessment Growth by \$2.5 million to adjust the current estimate to reflect revised calculations based on new provincial regulations.**

- j. **Reduce to the Toronto Police Service's 2017 Preliminary Operating Budget by \$2.1 million net to reflect the confirmation of \$8.5 million in provincial funding, which will reduce the 2017**

Operating Budget for the Toronto Police Service to \$1,004.4 billion, and has the further effect of reducing the City's bridging strategy total by \$6.4 million, when combined with the reversal in Table 6, reducing bridging strategies from \$100.5 million to \$87.8 million.

Last Updated: 2017-01-24 @ 12:55 PM