

2018 Implementation Costs for Various Approved Service Plans

Date: May 23, 2017

To: City Council

From: Deputy City Manager & Chief Financial Officer

Wards: All

SUMMARY

This report responds to Budget Committee's request to the Deputy City Manager & Chief Financial Officer at its meeting of May 11, 2017, to report directly to the May 24, 2017 City Council meeting with the 2018 implementation costs of the following approved service plans:

- TO Prosperity: Toronto Poverty Reduction Strategy
- Toronto Fair Pass Program
- Toronto Strong Neighbourhoods 2020
- Toronto Youth Equity Strategy
- Toronto Seniors Strategy: Toward an Age-friendly City
- Toronto Newcomer Strategy
- Housing Opportunities Toronto: An Affordable Housing Action Plan
- Recreation Service Plan
- Childcare Growth Strategy
- Transform TO: Climate Action for a Healthy, Equitable, Prosperous Toronto
- Middle Childhood Strategy
- Parks Plan

The report includes a summary of 2018 implementation costs for the aforementioned service plans plus the annualized impact of these investments in 2019 as well as multi-year capital requirements for these plans.

RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer recommends that:

1. This report be referred to the Budget Committee for consideration with other priorities during the 2018 Budget Process.

FINANCIAL IMPACT

The Summary Table included with this report identifies an overall operating impact of \$179.949 million gross, \$97.550 million net with \$66.362 million net in 2018, and an additional annualized impact of \$31.188 million net in 2019 for the implementation of the requested service plans. In addition, capital funding of \$1.698 billion gross, \$578 million debt (\$300 million in 2018 and \$278 million for the 2019 -2027 period) is required for advancing the aforementioned service plans. Given the tight timelines for this exercise, the implementation costs do not fully reflect the operating impact of completed capital projects. Please refer to Appendix 1.

DECISION HISTORY

The Budget Committee at its meeting of May 11, 2017 adopted the report BU32.7, "2018 Budget Process - Budget Directions and Schedule" and requested the Deputy City Manager & Chief Financial Officer to submit a report directly to the May 24, 2017 Council meeting with the implementation costs for 2018 associated with specific approved service plans. Link to the decisions document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU32.7>

COMMENTS

The report provides the estimated operating and capital costs of implementing specific Council approved service plans in 2018. While this is a high level cost summary, more detailed information will be included by the divisions and agencies in their 2018 Operating and Capital Budget submissions. The additional information made available during the 2018 Budget process will enable a fulsome review of costs and the associated impact on service levels for consideration with other City priorities. Staff will also outline the impact on the City's affordability debt ceiling as part of the 2018 and future year budget processes.

CONTACT

Josie La Vita, Executive Director, Financial Planning
Tel: 416-397-4229, E-mail: josie.lavita@toronto.ca

SIGNATURE



Roberto Rossini
Deputy City Manager & Chief Financial Officer

ATTACHMENTS

Appendix 1 - 2018 Full Cost Implications of Council Approved Strategies & Service Plans

APPENDIX I

2018 Full Cost Implications of Council Approved Strategies & Service Plans

Implementation cost for Service Plan Initiatives - Operating							
Activities	Staffing	Gross	Revenue	Net (Total)	Net 2018	Additional Annualized Net 2019	Impact/Service Level
	(FTE)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
Strategies & Service Plans							
Parks and Recreation Plans	83	11,120	20.0	11,100	7,325	3,775	Swim to Survive expansion into phase 3, service increase for the Toronto Leadership Program, development and implementation of the Primary Program Model; Urban Forestry Service Plan, phasing in \$22 million of annual property tax fund; establish City Wide Urban Park Ranger program, rejuvenate park horticulture, increase management of natural environment trails by 50KM, enable public involvement in park horticulture, and enhance evening and weekend park maintenance
Toronto Newcomer Strategy	2.0	240.0		240.0	120.0	120.0	Additional staffing resources to meet the commitments related to the implementation of the Toronto Newcomer Strategy
Toronto Strong Neighbourhoods Strategy	2.5	505.0		505.0	126.0	379.0	32 engagement opportunities for 1600 Residents, 40 employment training workshops; 700 residents engaged in food security activities, 13 Community Hub development projects, 4 District Civic Education Initiatives, Toronto Seniors Forum and Resident Advisories supported
Transform TO: Climate Action for a Healthy, Equitable, Prosperous Toronto	49.5	6,700.0		6,700.0	6,700.0		The initial approved strategies accelerate and enhance existing City of Toronto programs and policies to maximize their potential to reduce GHG emissions community-wide while supporting improved public health outcomes, local economic prosperity, and social equity benefit. They build on Toronto's existing leadership and innovation in urban climate action to reduce carbon
Poverty Reduction							
TO Prosperity: Toronto Poverty Reduction Strategy (2018 Work Plan)	8.0	54,325.0	275.0	54,050.0	38,423.0	15,627.0	Includes TCHC (Tenants First), Student Nutrition Program, and shelter expansions
Fair (Transit) Pass Program *	6.0	8,150.0	450.0	7,700.0	4,600.0	3,100.0	As per EX20.10 adopted by Council on December 13, 2016
Child Care Growth Strategy **	TBD	59,600.0	47,700.0	11,900.0	4,900.0	7,000.0	Increase fee subsidies for children 0-4 and reduce parent fees
Housing Opportunities Toronto **	TBD	18,804	18,804				The estimated annual City investment required to meet the HOT/Open Door 5-year target of 5,000 new affordable rental homes would be, on average, some \$10.0 million in funding and \$35.0 million in waived fees, charges and property taxes. The remaining affordable ownership and TO Renovates 2018 HOT shortfall would require an additional \$56.7 million. New federal-provincial funding for 2018 has not yet been announced.
Middle Childhood Strategy ***	TBD	18,000.0	14,400.0	3,600.0	3,400.0	200.0	Increase fee subsidies for children 6-12
Seniors Strategy 1.0 ***	16.00	2,050.00	750.00	1,300.00	650.00	650.00	Expand Program from 2 to 12 Paramedics with 8 Response Units. (Note: MOHLTC 50% Funding trails by 1 year.) & Short term eliminate/reduce TPH wait list of 3,000 seniors. Long term improve access to necessary dental care for low income seniors
Youth Equity Strategy ***	1.0	455.0		455.0	118.0	337.0	One educational attainment program, support groups in 5 NIA's, two 15-week sessions engaging 200 residents, employment connection table with 300 referrals, engage 100 program participants and complete 170 story book recordings for 150 children, outcomes framework, resources and support networks created for youth leaving incarceration
Total Impact on Operating Budget	168.0	179,949.0	82,399.0	97,550.0	66,362.0	31,188.0	
<p>Note: Since the approval of the Toronto Poverty Reduction Strategy, in 2015, there has been increased coordination of programs and services targeting low-income residents; many City strategies now have complementary actions aligned with one of the 17 poverty reduction recommendations</p> <p>* PRS program approved in 2016</p> <p>**All items in this strategy advance PRS recommendations</p> <p>*** All estimated 2018 investments are aligned with PRS recommendations</p>							

Implementation cost for Service Plan Initiatives - Capital							
Activities	Staffing	Gross	Revenue	Debt (Total)	Debt 2018	Debt 2019-2027	Impact/Service Level
	(FTE)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
TO Prosperity: Toronto Poverty Reduction Strategy (2018 Work Plan)		298,000.0		298,000.0	298,000.0		TCHC capital rehabilitation plan (Tenants First)
Child Care Growth Strategy	TBD	1,400,000.0	1,120,000.0	280,000.0	2,000.0	278,000.0	Increased access to licensed child care; increase licensed child care spaces to 70,000 by 2026
Total Impact on Capital Budget & 10 Year Plan		1,698,000.0	1,120,000.0	578,000.0	300,000.0	278,000.0	