

April 22, 2002

City Operating Budget of \$6.2 billion approved by Council

Today, Toronto City Council approved a 2002 tax-supported operating budget of \$6.222 billion gross and \$2.790 billion net. This is a gross expenditure increase of \$146.848 million or 2.4% and a net expenditure increase of \$52.576 million or 1.9% over the 2001 approved budget.

Bill 140 (Provincial Legislation) continues to preclude any tax increase on commercial and industrial property classes. As a result, tax increases are restricted to residential tax property classes only. After adjusting for assessment growth of \$8.2 million, the net incremental burden to the residential taxpayers is \$47.133 million, representing a 4.32% residential property tax increase. If the tax increase could be applied to all Toronto property tax classes, including commercial/industrial and multi-residential, the tax increase would be only 1.6%.

In 2002, Council established guidelines that focussed the budget process on achieving prescribed corporate goals and strategic directions of Council. Staff was directed to ensure that service objectives aligned with Council's strategies. Among the guiding principles of Council were:

- Maintain services and service levels approved by Council in 2001
- Achieve budget savings through efficiencies and continuous improvement
- Optimize non-tax revenues
- Ensure that the capital program remains within the approved fiscal framework
- Encourage stakeholder participation

Standing Committees continued to play a significant role in reviewing the City's operating budget with emphasis on determination of service delivery efficiencies, service priorities, service levels and service level adjustments. Staff-recommended program budgets were forwarded to each Standing Committees for review of their respective programs and in the interest of broader public participation, to receive public deputations. The Standing Committee recommendations were reviewed by the Budget Advisory Committee (BAC) whose role included ensuring the development of a budget that emphasized the maintaining of existing services and service levels within a balanced financial package.

Special Initiatives

In 2002 the City will undertake the World Youth Day Initiative. This weeklong series of events will occur in Toronto during July. It is estimated that 750,000 individuals between 15 and 35 years of age from all over the world will converge on the City. Over one million people are expected to attend the concluding Papal mass. City operations in support of the event will cost \$18.678 million in gross expenditures, and net expenditures of \$6.930.

The second special initiative is the Emergency Management Preparedness Management Initiative with an operating budget that includes funding of \$5.330 million gross (\$2.149 million net). This is a corporate initiative to address the City's ability to deter threats from terrorism and to respond to emergencies brought about by terrorism and other catastrophes. This initiative encompasses various programs in the City and will be the responsibility, individually and jointly, by Emergency Medical Services, Police Services, Fire Services, Health Services, Facilities, Corporate Communications, Transportation, Water and Wastewater. Funding for this initiative is being sought at the federal, provincial and municipal levels.

2002 Program Highlights

CHILDREN'S SERVICES

Budget: \$295.6M Gross, \$60.55 M Net (2001 Budget – \$276.1 M gross, \$57.27 M net)

- 26,496 childcare spaces are provided in the 2002 budget.
- \$0.16 million to extend the York Before and After School Childcare Program until the end of 2002.
- Additional 280 childcare spaces with a gross cost of \$2.2 million to be funded from the National Child Benefit Supplement Reserve Fund.
- Add 2,000 spaces for childcare fee subsidies with a gross cost of \$15.1 million (the City cost of \$3.0 million), subject to obtaining the 80% provincial subsidy of \$12.1 million.
- Pay for the cost of solid waste disposal bag tags for child care centres located on school properties offset by solid waste management revenue increase - \$0.7 million.
- Defer half of the playground retrofit program - \$0.5 million.
- Defer expansion of Family and Special Needs Resource Programs - \$0.2 million.

SHELTER, HOUSING & SUPPORT

Budget: \$639.449M Gross, \$268.152M Net. (2001 Budget – \$437.593M gross, \$270.880M net)

- 5,227 shelter beds are provided in the 2002 budget.
- Funding for a new program "Off the Streets into the Shelters" of \$2.3 million, with no net impact.
- Recommended reduction in Non-bed services programming costs to be funded from under spending and/or additional Provincial revenue - \$1.1 million.
- Reduction in social housing costs by \$8.9 million.

SOCIAL DEVELOPMENT AND ADMINISTRATION

Budget: \$15.798 M Gross, \$8.284M Net. (2001 Budget – \$14.964M gross, \$7.890M net)

- Toronto Youth Violence Initiatives- \$0.250 million gross and net.
- Toronto Response for Youth Human Resource Dev. Canada funded - \$0.292 million gross & \$0 net.

SOCIAL SERVICES

Budget \$975.07 M Gross, \$221.16 M Net. (2001 Budget – \$894.84 M gross, \$226.97 M net)

- 636.737 M Gross cost of budgeted caseload of 75,000. City net funding of \$120.67 M for 60,000 cases and reserve funding of \$15.990 M for 15,000 cases, if required.
- Revenue adjustment due to loss of one-time Provincial funding in 2001 - \$3.1 million.
- Additional costs for Ontario Disability/Support Program & other provincial pressures - \$1.1 million.
- Associated increase in GTA pooling revenue - \$6.5 million.

CULTURE DIVISION

Budget: \$11.659 M Gross, \$6.685M Net. (2001 Budget – \$11.135 M Gross, \$8.134 M Net)

- Addition of a fundraiser for the Historic Houses position, conditional on grant funding, to provide support to program development at the historic houses.
- Addition of an Assistant Registrar, conditional on grant funding, to build electronic access to artifact collection.
- A one-time \$0.500 million contribution to establish a Capital Grant Program for cultural facilities to support not-for-profit cultural organizations for state-of-good-repair maintenance of non-City owned facilities. A new reserve fund will be created to support the grant program based on matching funding by the private sector or other levels of government.

CUSTOMER AND BUSINESS SUPPORT

Budget: \$18.685M Gross, \$16.948 Net. (2001 Budget – \$16.471 M)

- Improvement in customer service and operational efficiency through electronic service delivery.
- Production and distribution of a more concise version of the Toronto Fun Guide to all households – \$0.200 million decrease.

ECONOMIC DEVELOPMENT DIVISION

Budget: \$11.874 M Gross, \$11.002 M Net. (2001 Budget – \$11,067.7 M net)

- \$0.150 in Federal funding to complete of the City's first Labour Force Readiness Plan to guide vocational education and training opportunities to develop and update labour force skills.
- Revenue increases including new PATH system logo licencing revenues (\$50.0 thousand) and additional parking revenue collected by the Film and Television Office (\$70.0 thousand).
- \$72.5 gross, \$52.5 net to hire two new BIA Officers to harmonize service for BIAs effective July 1, 2002. This is part of a larger initiative adding \$0.266 million to Audit Services and Finance for services to BIAs.
- Loss of Federal funding for the Canada-Ontario Business Services Centre has resulted in termination of a bilingual telephone referral service (\$46.0 thousand).

PARKS & RECREATION

Budget: \$207.294 M Gross, \$140.312 M Net. (2001 Budget – \$201.476 M)

- Operating impact of capital with service level impacts \$0.582 million net (eg. opening of Main Square Recreation Centre and North Kipling Bocce Court).
- Turf improvement and weed control for parks \$0.150 million.
- Youth Violence Prevention Program \$0.100 million.
- Expansion of community garden program from 22 gardens to 29 gardens - \$0.073 million gross.

- Additional operating costs to operate 47 Toronto District School Board pools subject to various conditions including the TDSB maintaining all 85 pools open \$1.6 million net.
- Increased down/side loading: \$0.120 million for the Franklin Horner lease renewal.
- Contribution to fleet reserve increase of \$0.763 million.
- Reversal of additional five per cent reduction in parks and facilities preventative maintenance approved in 2001 - \$0.874 million.
- Technology and communication improvements \$0.198 million.
- Transfer of grass cutting to Police - (\$0.138) million.
- Operating impact of capital \$1.070 million. (eg. annualization of Heron Park Community Centre and Ellesmere Community Centre)
- Annualization of \$25 user fee increase for previously free children's camps and instructional programs (\$3.085) million net.

URBAN DEVELOPMENT SERVICES

Budget: \$79.662 M Gross, \$15.058 M Net. (2001 Budget – \$14.146 M)

- Staff for new Integrated Business Management System to provide more efficient delivery of business processes across the department
- Additional inspectors in Municipal Licensing & Standards
- Provide expertise and support for Ontario Municipal Board Hearings
- City Planning Studies
- Waterfront Precinct Studies
- Cycling Program initiative to deliver bike safety and educational programs
- Establishment of a Waterfront Secretariat to liase with the new Waterfront Agency

CITY CLERK'S OFFICE

Budget: \$40.240M Gross, \$19.750M Net. (2001 Budget – \$19.583 M)

- Vote-at Cards reduced to one per household - \$0.200 million reduction
- Elimination of digitization project in Records and Archives: \$0.102 million reduction.
- Balance of funding for four new election services staff approved in 2001 - \$0.177 million reduction.
- Restore funding reduced in 2001 for Records and Archives facilities maintenance and marriage license inventory costs - \$0.211 million increase.
- Gaming licence revenue decreased of \$0.499 million.
- Reduction in service level for Protocol Services saves \$0.103 million.

COURT SERVICES

Budget: \$25.0M Gross, \$1.0M Net. (2001 Budget – N/A)

The Province of Ontario transferred Court Services to the City effective February 25, 2002. The \$25 million (gross) budget is offset by fine revenues of \$26 million for a net revenue of \$1 million for new City-operated court services.

HUMAN RESOURCES

Budget: \$27.016M Gross, \$23.661M Net. (2001 Budget – \$22.759 M)

- SAP sustainment formerly funded by capital - \$0.315 million.
- Collective Agreement Bargaining expenses - \$0.750 million.

INFORMATION & TECHNOLOGY

Budget: \$37.663 M Gross, \$36.632 M Net. (2001 Budget – \$35.563 M)

- Reduction in outside consultants - \$1.149 million
- Reduction in hardware and software costs - \$3.751 million.
- Maintenance/license fee savings due to renegotiations - \$0.751 million.
- Sustainment services for SAP applications - \$1.393 million.

LEGAL SERVICES

Budget: \$18.480M Gross, \$16.198M Net. (2001 Budget – \$16.351 M)

- Reduction of outside Counsel - \$0.250 million.

FINANCE

Budget: \$64.557 M Gross, \$31.629 M Net. (2001 Budget – \$31.713 M)

- Increase in collection agency fees - \$0.600 million.
- Reduction in printing supplies and other efficiencies – \$0.463 million.
- Reduced postage expenses, printing and reproductions - \$0.425 million.
- Tax and water revenue system upgrades - \$0.151 million.
- BIA's support for preparation of timely financial statements - \$0.156 million.

TRANSPORTATION

Budget: \$219.836 M Gross, \$168.433 Net. (2001 Budget – \$168.084 M)

- Sidewalk snow clearing program as approved.
- Car-free day, to be carried out by program and funded by grant.
- New positions approved to provide better management for the utility cut program, fully offset by increased revenues through improved services.

FIRE

Budget: \$258.695 M Gross, \$255.734 Net. (2001 Budget – \$247.619 M)

- 55 firefighters to be accommodated within recommended 2002 base level.

EMERGENCY MEDICAL SERVICES

Budget: \$103.523M Gross, \$40.544M Net. (2001 Budget – \$98.641M gross, \$39.058 M net)

- Response to increased call volume from 1999 to 2001 with a cost of \$1.450 M gross (\$0.500 M net) to hire 57 Paramedics.
- Response Time Reduction Strategy with 50% Provincial funding amounting to \$0.672 M to hire 30 additional Paramedics.

EMERGENCY PREPAREDNESS MANAGEMENT PLAN

Budget: \$7.230M Gross, \$4.049M Net. (2001 Budget – N/A)

- \$4.049 million to fund emergency preparedness plans are a corporate initiative to address the City's ability to deter threats from terrorism and to respond to emergencies brought about by terrorism and other catastrophes.

AUDIT

Budget: \$2.910M Gross, \$2.743M Net. (2001 Budget – \$2.650 M)

- \$0.100 million to fund BIA audits.

CHIEF ADMINISTRATOR'S OFFICE

Budget: \$5.078 M Gross, \$5.078 M Net. (2001 Budget – \$5.160 M)

- Reduction of consulting services - \$0.124 million.

OFFICE OF THE MAYOR

Budget: \$1.319 M Gross, \$1.319 M Net. (2001 Budget – \$1.402 M)

- Reduction in travel, related costs and contracting services by \$0.064 million.

COUNCIL

Budget: \$16.540 M Gross, \$16.540 M Net. (2001 Budget – \$16.850 M)

- Decrease in other Council expenses of \$0.059 million.
- Deletion of Council transportation services for a \$0.309 million budget reduction.

CONSOLIDATED GRANTS

Budget: \$39.384M Gross, \$34.802M Net. (2001 Budget – \$38.951M gross, \$34.454M net)

- Enhanced Children's Nutrition Program - \$0.060 million
- Impact of previously approved capital program, for services such as maintenance for the corporate grants information system - \$0.021 million.

LIBRARY SERVICES

Budget: \$127.712M Gross, \$114.436M Net. (2001 Budget – \$122.763M gross, \$110.265M net)

- Enhancement of "Leading to Reading Program" - \$0.090 million.
- Increased work volumes resulting from higher utilization of library reservations - \$0.3 million.

EXHIBITION PLACE

Budget: \$40.376M Gross, (\$0.618) M Net (2001 Budget – \$38.389 M)

- Net increased revenue for new events & tenants booked in 2002 (\$0.311) million.
- Adjusting costs & revenues based on previous experience of Canadian National Exhibition Association \$0.325 million.
- Annualized impact of 2001 general admission increase of \$1, from \$5 to \$6 for Youth and Seniors and from \$8 to \$9 for regular admission to the Canadian National Exhibition (\$0.488) million net.

PUBLIC HEALTH

Budget: \$151.1 M Gross, \$62.08 Net. (2001 Budget – \$145.69 M gross, \$59.7 M net)

- Net expansion of Tuberculosis prevention program - \$0.492 million.
- Vulnerable Adults and Seniors program - \$0.320 million.
- Environmental air quality plan - \$0.033 million.
- Injury and family abuse prevention - \$0.261 million gross/\$0 net.
- Health pregnancy and child development program - \$0.172 million gross/\$0 net.
- Prenatal and child health survey strategies - \$0.136 million gross/\$0 net.
- Support for at-risk pregnant women - \$0.070 million gross/0\$ net.
- French Language Services, Healthy Babies, Healthy Children - \$0.194 million gross/\$0 net.
- Healthy Babies, Healthy Children program - \$0.617 million gross/\$0 net
- Environmental pesticide consultation plan - \$0.052 million gross, \$0.026 million Provincial subsidy, and \$0.026 million from Water/Wastewater, with \$0 net.
- Pre-school speech and language – Infant Hearing Screening - \$0.352 million gross/\$0 net.
- Continue delivery of “Not to Kids” strategy to reduce tobacco use among youth - \$0.2 million.
- Reduce the Dental Group Education budget - \$0.165 million
- Eliminate low risk premises inspections (complaints only) - \$0.25 million

ARENA BOARDS OF MANAGEMENT

Budget: \$4.705 M Gross, \$0.241 M Net. (2001 Budget – \$0.177 M Net)

- Investment in a new ice resurfacers for Forest Hill Arena (\$80.0 thousand)
- Increased ice facility rental and accessory operation revenue at the eight Arena Boards of Management totaling \$147.7 thousand.

THEATRES

Budget: \$17.667 M Gross, (\$3.026 M Net). (2001 Budget – \$14.629 M Gross, \$2.965 M Net)

- Toronto Centre for the Arts has reduced revenue targets as well as expenditures resulting in an increase in City funding of \$0.030 million over 2001.
- The Hummingbird Centre for the Performing Arts is maintaining a budget with no City funding as a condition of achieving a lease agreement with the City.
- The St. Lawrence Centre for the Arts has reduced revenue targets as well as expenditures resulting in an increase in City funding of \$0.031 million over 2001.

TORONTO POLICE SERVICE

Budget: \$611.650 M Gross, \$591.208 Net. (2001 Budget – \$592.120 M Gross, \$575.096 M Net)

- Front-Line Policing Levels of 5,242 maintained
- \$700,000 towards a new anti-gang unit

TORONTO ZOO

Budget: \$30.840 M Gross, \$8.087 M Net. (2001 Budget – \$27.946 M Gross, \$7.936 M Net)

- An increase of \$2 in General Admission (ages 13-64), totaling \$0.662 million, will support increased costs of service delivery and enhanced services.
- Increased revenue from food and retail sales of \$0.408 million.
- Educational programs, Zoo Camp and Bush Camp, will be expanded for an increase in revenue over costs of \$0.020 million.
- New Zoomobile service will be adjusted to meet demand for an increase of \$0.015 million net in 2002, including the conversion of vehicles to natural gas.
- Work on the Zoo's Strategic Plan will be continued for one-time funding of \$0.118.
- Two gardening staff added to improve Zoo grounds maintenance during peak summer usage.
- New promotional approaches for corporate identity and Zoo mascot projects, for \$0.104 million.

TORONTO & REGION CONSERVATION AUTHORITY

Budget: \$23.219M Gross, \$ 5.470M Net. (2001 Budget – \$ 4.414 M Net)

- Technical budget adjustments, provincial grant loss: \$8,500.
- Revenue changes of Boyd site closure and funding termination for OMB hearings: \$0 net.
- CVA Adjustment: \$791,420.

ASSOCIATION OF COMMUNITY CENTRES (AOCC)

Budget: \$4.612M, \$4.612M Net. (2001 Budget – \$4.369M gross, \$4.369M net).

- Ralph Thornton Community Centre's estimated new lease and repair costs - \$0.119 million.
- Part-time Volunteer Coordinator for Eastview Neighbourhood Community Centre - \$0.017 million.

TORONTO TRANSIT COMMISSION (Conventional)

Budget: \$ 859.726 M Gross, \$ 152.162 M Net. (2001 Budget – \$147.602 M Net)

- Annualization of change in ridership to 413 million riders - \$0.501 million net.
- Sheppard Subway (opening fall 2002) operating expense \$6.877 million gross, \$6.310 million net.
- Full year impact of 2001 fare increase for \$19.300 million in revenue.
- Increased non-operating (includes advertising, commuter parking & outside city services) revenues \$2.739 million net.

TORONTO TRANSIT COMMISSION (Wheel Trans)

Budget: \$ 46.998 M Gross, \$ 44.556 M Net. (2001 Budget – \$ 42.778 M Net)

- Full year impact of 2001 fare increase - \$0.163 million in revenue.
- Impact of staff unionization, increase of \$0.793 million net.
- \$1.968 to increased service demand and to achieve unaccommodated rate of 2%.

YONGE-DUNDAS SQUARE

Budget: \$0.695 M Gross, \$0.375 M Net. (2001 Budget – N/A)

- Expenditures of \$0.695 million gross and \$0.375 million net for a new Board of Management to operate the Yonge-Dundas Square, opening July 1, 2002.

WORLD YOUTH DAY SPECIAL INITIATIVE

Budget: \$18.679 M Gross, \$6.052 M Net.

The World Youth Day Secretariat to co-ordinate planning for City support of the event was created in 2001 (2001 budget - \$0.871 million). This celebration is a week-long series of events occurring mainly in Toronto in July, 2002. Expected attendance is up to 750,000 persons aged 16 to 35 from around the world. Over 1 million people may attend the concluding event, a Papal Mass, to be held at Parc Downsview Park.

- The World Youth Day Secretariat in the Economic Development, Culture and Tourism Department works to minimize potential disruption of regular City operations and inform residents, businesses and other stakeholders of the event's impact on City services and transportation routes.
- Exhibition Place and the Toronto Transit Commission will recover their costs in support of the event directly from the event organizers with no net impact on the City's 2002 operating budget.
- The total 2002 recommended one-time funding is \$18.679 million gross and \$6.930 million net of which \$6.052 million represents new funding for the following programs:

| | <u>New Net 2002 Funding (\$000s)</u> |
|------------------------------|--------------------------------------|
| Corporate Communications: | 18.1 |
| Emergency Medical Services: | 936.7 |
| Fire Services: | 185.3 |
| Parks and Recreation: | 320.3 |
| Police Service: | 2,764.3 |
| Protocol: | 34.7 |
| Public Health: | 57.9 |
| Solid Waste Management: | 418.0 |
| Transportation Services: | 1,146.3 |
| World Youth Day Secretariat: | <u>171.0</u> |
| TOTAL | \$6,052.4 |

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Media Contact: Cindy Bromley, Finance Communications Manager, 416-392-4993