

Analyst Briefing Notes

Budget Committee

(March 26, 2007)

2007 OPERATING BUDGET

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2007 OPERATING BUDGET**Executive Summary**

- The 2006 preliminary year-end actual net expenditure of \$11.978 million for City Planning is \$1.218 million under the 2006 Approved Budget. The favourable net variance has been somewhat mitigated with less than anticipated revenues being offset by savings from staff vacancies and managed program spending.
 - The savings in salary expenditures are not expected to fully continue in 2007 as City Planning has a number of active competitions for personnel that were underway during the latter portion of 2006. City Planning is also in the process of creating a strategic recruitment plan that will help accelerate the hiring process.
- The 3-Year Budget is focused on addressing Council's priorities for a Clean and Beautiful City, and Improving the Planning Process. Also included are resources to be dedicated to the Waterfront Revitalization Initiative including support for the Central Waterfront Plan OMB hearings, West Donlands and East Bayfront precinct plans implementation and support for Waterfront Transit Environmental Assessments.
 - City Planning is facing a number of staffing challenges such as recruitment and retention which are resulting in increasing staff workloads and compounding divisional backlog. In 2007, plans are to develop a recruitment strategy that will assist in filling vacant positions with an overall emphasis on recruitment, training and retainment.
 - In response to City Council's direction, City Planning with the support of the Development Application Review Team (DARP) and numerous other affected Divisions is currently undertaking a fee rationalization exercise to identify all City wide eligible direct and indirect costs related to the processing of community planning and development applications. The results of this review will be reported to the Planning and Growth management Committee prior to the 2008 budget process.
- The 2007 Recommended Base Budget is 1.1% over the Program's target. This is the result of increased expenditures to salaries and benefits resulting from Cost of Living Adjustments (COLA), merit and step increases and an additional working day in the 2007 calendar year. Adjustment to fees will provide an 86% net offset to cost increases for COLA and merit & step increases.

Table 1: 2007 Recommended Budget

	2006		2007 Recommended Operating Budget			Change - 2007 Recommended from 2006 Approved Budget		FY Incremental Outlook	
	2006 Appvd. Budget	2006 Projected Actual*	2007 Base	2007 New/Enhanced	2007 Operating Budget			2008	2009
	(In \$000s)					\$	%	\$	\$
GROSS EXP.	32,237.2	29,909.5	33,268.3	617.1	33,885.4	1,648.2	5.1	43.0	(1,229.3)
REVENUE	19,042.1	17,931.9	19,933.9	532.7	20,466.6	1,424.5	7.5	(140.4)	(774.9)
NET EXP.	13,195.1	11,977.6	13,334.4	84.4	13,418.8	223.7	1.7	183.4	(454.4)
Approved Positions	346.5	304.5	344.5	1.0	345.5	(1.0)	(0.3)	(3.0)	(12.5)
TARGET			13,195.1		13,195.1				
\$ Over / (Under) Program Target			139.3		223.7				
% Over / (Under) Program Target			1.1%		1.7%				

Source: *Projected Actuals Based on the Preliminary Year-End Actual Expenditures.

- The 2007 Recommended Operating Budget of \$13.419 million net is comprised of base funding of \$13.334 million and new/enhanced service priorities of \$0.084 million. This represents a \$0.224 million or 1.7% increase over the 2006 Approved Operating Budget of \$13.195 million.
 - To maintain current service levels in 2008, City Planning will incur incremental expenditures arising from Cost of Living Adjustments (COLA) and an additional working day in the calendar year. Inflationary adjustments to revenues and annualizations to fee increases will somewhat mitigate these incremental increases to gross expenditures.
 - Current service levels can be maintained in 2009 with a decrease in net expenditures. This is the result of the loss of a working day in the calendar year coupled with inflationary increases to revenues. The outlook for 2009 does not include a provision for COLA, as the increase is subject to future negotiations.
 - The anticipated completion of the new Zoning By-Law in 2009 will result in a decrease of 3 positions in 2008 and an additional decrease of 12.5 positions in 2009 which are no longer a requirement for support of the new Zoning By-Law. These positions are funded from Capital and there is no net impact to the Operating Budget.
- The 2007 Recommended Base Budget of \$13.334 million net represents a 1.1% increase over City Planning's 2006 Approved Base Budget while maintaining 2006 service levels.
 - Labour related increases such as cost of living adjustment, merit and step increases and an additional working day in the 2007 calendar year total \$1.533 million.
 - Proposed minor service level reductions of \$0.025 million in salaries and benefits have been accepted to offset increased gross expenditures.

- Council adopted fee adjustments for development approval application annual fee increases and Committee of Adjustment multi-residential, mixed-use, non-residential applications provide a net reduction of \$0.269 million with further net reductions in 2008 of \$0.104 million.
- In an effort to address City Planning priorities and challenges, \$0.617 million gross and \$0.084 million net of new and enhanced service priorities have been included in the 2007 Recommended Budget.
 - To address staffing and workload concerns related to the Heritage Property Tax Rebate Program funding of \$0.058 million gross and (\$0.018 million) net for 1.0 full time staff member will be added to assist in the management of the program and help initiate tasks associated with administration of this program. Cost for this additional staff member will be fully recoverable from tax rebate application revenues and is estimated to result as a net revenue to City Planning in 2007. This program will result in a net incremental impact of \$0.071 million to City Planning in 2008.
 - To promote awareness of the King-Parliament area's heritage value, additional funding of \$0.020 million gross with no 2008 incremental impact has been provided to support the King-Parliament Community Improvement Plan. Costs are fully recoverable from the 226 King Street East Reserve Fund.
 - With the new Official Plan now in place, there is a need to ensure that the Committee of Adjustment Panel members are fully trained in using this document as all their decisions must be in conformity with it. Funding of \$0.030 gross with no 2008 incremental impact has been provided to ensure these training opportunities with costs fully recoverable from increases in Committee of Adjustment application fees.
- Increased funding within City Planning's 2007 Recommended Budget will advance priorities outlined in the Mayor's Mandate. This includes the required initial steps for developing a comprehensive public space beautification plan, increased funds that will ensure architectural excellence in Toronto through a new Toronto Design Review Panel. As well, increased funds that are offset by FCM grants which will support the implementation of the recently approved Toronto Green Building Standard to ensure ecologically friendly buildings.
- The 2007 Recommended Operating Budget provides base funding for City Planning to maintain service levels for development approval application reviews, Heritage Preservation Services review of building permit applications, policy development and implementation, and community improvement.
- The 2007 Recommended Operating Budget will also provide funding for new and enhanced priorities such the Heritage Property Tax Rebate Program, the Toronto Green Development Standard, the Enhanced Architecture and Urban Design Award, a Public Space Beautification Plan for 11 major cultural institutions, the Toronto Design Review panel, a new City model to be located in the lobby of City Hall, software maintenance for Zoning By-law Mapping, improved training opportunities for Committee of Adjustment Members and funding for the first phase of a Bloor Corridor Visioning Study.

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2007 Recommended Operating Budget for City Planning of \$33.885 million gross and \$13.419 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
City Planning	<u>33,885.4</u>	<u>13,418.8</u>
Total Program Budget	<u><u>33,885.4</u></u>	<u><u>13,418.8</u></u>

2. the Executive Director of City Planning report back to the Planning and Growth Management Committee in the 1st quarter of 2008 with a public space beautification plan for 11 major cultural institutions; and,
3. the Deputy City Manager responsible for City Planning report back to the Planning and Growth Management Committee prior to the 2008 Operating Budget process on the results of the fee rationalization exercise and on a proposed phased approach to increasing community planning and other development application process fees in the future to allow for full cost recovery of all City wide costs related to the processing of community planning and development applications.

Section A: 2006 Budget Variance Analysis

Table 2: 2006 Budget Variance Review

	2005 Actuals	2006 Approved Budget	2006 Projected Actuals*	2006 Appvd. Budget vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	%
GROSS EXP.	28,191.2	32,237.2	29,909.5	(2,327.7)	(7.2)
REVENUES	16,028.4	19,042.1	17,931.9	(1,110.2)	(5.8)
NET EXP.	12,162.8	13,195.1	11,977.6	(1,217.5)	(9.2)
Approved Positions	340.0	346.5	304.5	(42.0)	(12.1)

Source: *Projected Actuals Based on the Preliminary Year-End Actual Expenditures.

2006 Experience

The 2006 preliminary year-end actual expenditure of \$29.910 million is under the 2006 Approved Budget of \$32.237 million by \$2.328 million. The under expenditure is primarily in Salary & Benefits and is the result of unspent funds arising from vacant positions that are in the process of being filled.

The 2006 preliminary year-end actual revenue of \$17.932 million is under the 2006 Approved Budget of \$19.042 million by \$1.110 million. The projected decrease in revenue is primarily due to lower than expected planning application fees. While application volumes remained constant budgeted revenues were not realized due to the mix in types of development applications that were received.

The 2006 preliminary year-end actual net expenditure of \$11.978 million is under the 2006 Approved Budget of \$13.195 million by \$1.218 million. The net variance has been somewhat mitigated with less than anticipated revenues being partially offset by savings from staff vacancies and managed program spending.

Impact of 2006 Operating Variance on 2007 Recommended Budget

The gross expenditure savings of \$2.328 million that were primarily due to staff vacancies realized in 2006 are not expected to fully continue into 2007. A number of personnel competitions were underway during the latter portion of 2006 and City Planning is also actively attempting to accelerate the hiring process.

The 2007 revenue forecast assumes a volume and application mix consistent with the 2006 Budget.

Section B: 2007 Operating Budget Overview

3-Year Operating Budget Overview

City Planning's 3-Year Budget will continue its commitment to guide and manage the growth and physical form of the City, and recommended strategies to enhance the urban environment and quality of civic life for Toronto's residents and business community. It is anticipated that City Planning will receive and process 4,154 development applications in 2007. It is also projected that City Planning will support 8,200 linear meters of streetscape enhancements in 2007 which represents an additional 1,300 linear meters from the previous years.

The 3-Year Budget also supports Council's priorities for a Clean and Beautiful City, and supports City Planning's objectives to implement recommendations for improving the planning process and the continued implementation of the Harmonized Site Plan Control By-Law. Work also continues on Clean and Beautiful City initiatives such as support and development of design review panels to raise standards and awareness of architectural and design excellence in pilot areas, the Civic Improvement Program for enhancements to the streetscape, the 'Special Places' program to create and beautify urban plazas, gateways, squares. As well, there is support for Environmental initiatives including the development of sustainability guidelines, green roof standards and natural heritage guidelines. Heritage preservation activities include the implementation of the enhanced heritage tax rebate program and completion & implementation of the Archaeological Master Plan and heritage conservation districts.

Other core initiatives include the Official Plan and resolving outstanding site specific appeals through adjudication at the OMB or through settlements, as appropriate; Area-based study work – Quarry Lands Review, Don Mills Road Transit Improvements Environmental Assessment, Kingston Road Transit Improvements Environmental Assessment, Bremner Boulevard Transit EA; continuation of the Zoning Bylaw Review with roll out of new Parking standards for residential and commercial uses and extensive public consultation process to be launched.

Further issues to be addressed in the next 3 years include new planning powers in the City of Toronto Act, responding to substantial Provincial policy and legislative initiatives, including Planning Act Reform, the Greater Golden Horseshoe Growth Plan, Housing and Environmental strategies and implementation and completing Cost Benefit Analysis for the Toronto Green Development Standard.

In 2007, the Program will essentially be close to target with a 1.7% net increase over 2006 and will be challenged to maintain service levels in light of increased workload in major City building initiatives such as the West Don Lands and East Bayfront precinct plans for the waterfront revitalization, significant development applications like the East Mall and Woodbine Racetrack, as well as the land use impacts of the Spadina Subway Extension. In addition, Heritage Preservation services will be challenged to maintain service levels with approval of additional Heritage Conservation Districts currently under study. City Planning was able to achieve a 1.7% net increase with judicious application of fee increases justified by covering the cost of inflation and the cost of staff increments as well as the inclusion of appropriate revenue annualizations. An example of this is the annualization of the Planning Fee increase that took effect April 1, 2006. This included a Community Planning Fee increase of 18.2%. It is planned to add in 2007, the remaining three month base revenue in the amount of \$0.407 million. 2007 also includes the annualized staffing cost of programs such as the Harmonized Site Control Plan and Improving the Planning Process as well as

adjustments for non-recurring projects and gradual phasing out of the Smart Commute program over 2007 and 2008.

The 2008 and 2009 Outlooks at this point essentially only contain estimated adjustments for COLA in 2008 (COLA increases in 2009 are subject to future negotiations) and offsetting fee adjustments to recover incremental costs in both 2008 and 2009. The continued viability of a zero increase in 2008 and 2009 will depend on the continuing close scrutiny and management of staff costs and enhancement of cost recovery through application fees and work program expectations. City Planning, with the support of DARP and other affected divisions is in the process of reviewing the applicable cost recovery model with Financial Planning and Accounting Services staff to determine all eligible direct and indirect costs that may be addressed in future fee structures.

Service Delivery - Challenges and Issues

City Planning is facing a number of staffing challenges such as recruitment and retention which is resulting in increasing staff workloads and compounding a backlog of work. In 2007, the Division will continue to actively work with Human Resources to fill vacant positions and develop an accelerated hiring plan within the context of the Local 79 Collective Agreement. To address staffing and workload concerns related to the Heritage Property Tax Rebate Program, funding of \$0.058 gross and (\$0.018 million) net for 1.0 full time staff member is recommended in 2007 to assist in the management of the program and help initiate tasks associated with the program's administration.

Mayor's Mandate

The 2007 Recommended Operating Budget directly advances the following priorities outlined in the Mayor's Mandate:

- ***Develop a Public Space Beautification Plan:***

In support of the Mayor's Mandate for a clean, green and beautiful City, an RFP will be issued in June 2007 to develop a public space beautification plan for 11 major cultural institutions. City Planning will manage this City wide plan. Funding of \$0.125 million recommended in 2007 will allow the City to undertake a significant first step to address the challenge of beautifying City public spaces.

- ***Ensure Architectural Excellence in Toronto Through a New Toronto Design Review Panel:***

To ensure architectural excellence in the City of Toronto, additional funds are recommended for the new Toronto Design Review Panel. Building and infrastructure projects in the 6 Council adopted pilot areas will be subject to review by this panel. To accommodate this an additional \$0.025 million will be added to the \$0.090 million already within City Planning's Base Budget.

- ***Implement the Recently Approved Toronto Green Building Standard to Ensure Ecologically Friendly Buildings:***

This project will encourage the use of environmentally friendly design construction to reduce energy and water consumption, storm water runoff and the urban heat island effect. The project will focus on comparative technologies and design utilizing cost /benefit and gap analysis, standards comparison and stakeholder workshops. The recommended additional \$0.170 million gross required funding will be offset by grant revenue from the (Federation of Canadian Municipalities) FCM and as a result has a \$0 net impact to the City.

Section C: 2007 Recommended Base Budget

Table 3: 2007 Recommended Base Budget

(In \$000s)	2006 Appvd. Budget	2007 Recommended Base	Change 2007 Recommended Base v. 2006 Appvd. Budget		FY Incremental Outlook	
					2008	2009
	\$	\$	\$	%	\$	\$
GROSS EXP.	32,237.2	33,268.3	1,031.1	3.2	361.9	(1,154.9)
REVENUE	19,042.1	19,933.9	891.8	4.7	106.6	(674.9)
NET EXP.	13,195.1	13,334.4	139.3	1.1	255.3	(480.0)
Approved Positions	346.5	344.5	(2.0)	(0.6)	(3.0)	(12.5)
NET TARGET		13,195.1			0.0	0.0
\$ Over / (Under) Program Target		139.3			255.3	(480.0)
% Over / (Under) Program Target		1.1%			1.93%	-3.64%

2007 Recommended Base Budget

The 2007 Recommended Base Budget of \$13.334 million net represents a 1.1% increase over City Planning's 2006 Approved Base Budget while maintaining 2006 service levels.

- The 2007 Recommended Base Budget is \$0.139 million over its corporate affordability target of \$13.195 million.
- The 2007 Recommended Base Budget includes additional expenditures of \$1.031 million which are needed to fund annualizations, merit and step increases and wage increases for exempt staff, non-salary economic factors, as well as other base changes including various interdepartmental charges and staffing costs and savings.
- To alleviate some of this expenditure impact, the 2007 Recommended Base Budget incorporates projected incremental proceeds from annualization of 2006 fee increases, application of the allowance for increase in the Consumer Price Index related to fees (i.e. inflation) and moving closer to full cost recovery on planning fees and Committee of adjustment fees. In total, budgeted revenue for 2006 are \$0.892 million greater than in 2006.
- Approved positions recommended for 2007 have decreased from the 2006 approved complement base of 346.5 to 344.5. The net reduction of 2 positions reflects the addition of a 0.5 approved position for the New Zoning By-law project which is recovered from the Capital Budget offset by a reduction of 2.5 positions (1.5 temp positions from Smart Commute and 1.0 temp position from Tall Building Project), as these were one-time projects.

2007 Key Cost Drivers

The key cost drivers for this budget in 2007 include:

- Cost-of-living adjustments (COLA) that average 3.25% for 2007 are non-discretionary expenditures that result in additional costs of \$0.939 million.
- Merit and Step Increases account for a \$0.479 million net pressure in 2007.
- Prior year impacts, including the annualized staffing impact of 2006 programs such as “Harmonized Site Plan Control” & “Improving the Planning Process” & the operating impact of the New Zoning By-law capital project contribute to a gross expenditure impact of \$0.423 million which is completely offset by fee annualizations resulting in a small net savings of \$0.003 million.
- Recommended adjustments for inflation with cost recovery provisions for Planning and Committee of Adjustment fees in the amount of (\$0.610) million net revenue and staffing costs adjustments in the amount of (\$0.604) million net revenue provide an 86% offset to cost increases for COLA and merit & step increases.

2008 and 2009 Outlook: Net Incremental Impact

- To maintain current service levels in 2008 City Planning will incur incremental expenditures arising from Cost of Living Adjustments (COLA) and an additional working day in the 2008 calendar year. Service levels can be maintained in 2009 with a decrease in net expenditures due to a loss of a working day in the calendar year. The 2009 outlook does not include a provision for COLA, as the increase is subject to future negotiations.
- Inflationary adjustments to revenues will somewhat mitigate incremental increases to gross expenditures.
- The anticipated completion of the new Zoning By-Law in 2009 will result in a decrease of 3 positions in 2008 and an additional decrease of 12.5 positions in 2009 which are no longer required to support the new Zoning By-Law. These positions are funded from Capital and there is no net impact to the Operating Budget.

Section D: 2007 Recommended Service Priorities

Table 4: Summary of 2007 New / Enhanced Service Priorities (In \$000s)

Description	2007 Recommended		Rec. New Positions	Net Incremental Impact	
	Gross Exp.	Net Exp.		2008	2009
	\$	\$		\$	\$
(a) Enhanced Service Priorities - Council Approved:					
Full Time Staff - Heritage Property Tax Rebate Program	57.5	(17.5)	1.0	71.1	25.6
Heritage Toronto - King-Parliament Area	20.0	0.0			
Toronto Green Development Standard	170.0	0.0			
(b) Enhanced Service Priorities - Program Initiated:					
Toronto Design Review Panel	25.0	25.0			
Public Space Beautification Plan	125.0	125.0		(125.0)	
Enhanced Architecture & Urban Design Award	58.2	5.9			
Zoning By-law Mapping Harmonization/Maintenance	11.4	0.0			
Training for Committee of Adjustment Members	30.0	0.0			
New City Model	50.0	0.0			
Sub-Total Enhanced Services	547.1	138.4	1.0	(53.9)	25.6
(a) New Service Priorities - Council Approved:					
Bloor Corridor Visionary Study - Phase 1	70.0	0.0			
(b) New Service Priorities - Program Initiated:					
Standard Fee for C of A Research Request	0.0	(54.0)		(18.0)	
Sub-Total New Service Priorities	70.0	(54.0)	0.0	(18.0)	0.0
Total Recommended New / Enhanced Service Priorities	617.1	84.4	1.0	(71.9)	25.6

2007 Recommended Service Priorities**Recommended Enhanced Service Priorities – Council Approved:*****Full Time Staff – Heritage Property Tax Rebate Program***

City Council adopted the Heritage Tax Rebate Program on July 25, 2006 (P&F Report 6 - Clause 17). This initial phase of implementation will require considerable staff time for the start up and administration of the Program. This includes developing protocols for applications and processing of submissions, assisting in the preparation of necessary legal documentation and confirmation of the fee schedules and eligibility criteria for subsequent plans of implementation.

- The Heritage Property Tax Rebate Program provides significant tax savings as incentives to help owners maintain and restore their heritage properties by way of a reduction in both the municipal and education portion of the tax bill.
- This legislation was passed by the Province in 2002.
- Currently there is one staff person (Co-ordinator, Preservation Services) who has been heading this initiative. The recommended additional staff person would be responsible, in consultation with MPAC, for calculating the portions of eligible heritage properties for which a tax rebate would be paid. Responsibilities also include negotiating any outstanding Heritage Easement Agreements, for developing eligibility criteria and preparing a proposed fee schedule to offset the administrative costs to the City.
- The 2007 funding requirement of \$0.058 million gross and (\$0.018 million) net with a 2008 net impact of \$0.071 million is planned to be offset by revenue from tax rebate application fees and is therefore recommended with an estimated 2007 net revenue to City Planning.

Heritage Toronto – King-Parliament Area

City Council, at its meeting of July 25, 26 and 27, 2006 adopted Policy and Finance Committee Report 6, Clause 12, entitled Establishment of the King-Parliament Community Improvement Plan Reserve Fund Group. This recommended service priority requires funding for plaques and markers from Heritage Toronto for the King-Parliament area.

- There is a need to reinvest and revitalize the King-Parliament area and to promote awareness of the area's heritage value. The recommended plaques and markers for this area will form one component the King-Parliament community improvement plan which will address the challenges of this area.
- This funding requirement of \$0.020 million is planned to be offset by contributions from the 226 King Street East Reserve Fund resulting in a \$0 net impact to the City.

Toronto Green Development Standard

This project will encourage the use of environmentally friendly design construction to reduce energy and water consumption, storm water runoff and the urban heat island effect. The project will

focus on comparative technologies and design utilizing cost /benefit and gap analysis, standards comparison and stakeholder workshops.

- Approval of this service priority implements recommendations of the Environment Plan (adopted by City Council - April 11, 12 and 13, 2000 - P&F Report 4, Clause 7) requiring green roofs, energy efficiency, sustainable development, emission reduction, re-use of construction materials.
- Supports current work being undertaken in Wet Weather Flow Master Plan and by the Energy Efficiency Office.
- On July 25, 26 & 27, 2006 Council approved recommendations regarding the Green Development Standard, including undertaking a Cost Benefit Analysis (P&F Report 6, Clause1). This includes a number of detailed targets and procedures aimed at encouraging more sustainable (green) development in the City.
- This funding requirement of \$0.170 million gross is planned to be offset by grant revenue from the (Federation of Canadian Municipalities) FCM and as a result has a \$0 net impact to the City.

Recommended Enhanced Services - Program Initiated:***Toronto Design Review Panel***

To ensure architectural excellence in the City of Toronto, which is in support of the Mayor's Mandate, additional funds of \$0.025 million will be added to base funding of \$0.090 million to support the new Toronto Design Review Panel.

- Addressing the challenge of a clean, green and beautiful City will be supported through the insurance of architectural excellence that this panel will afford.
- Building and infrastructure projects within the 6 pilot areas would be subject to review by this panel.

Public Space Beautification Plan

In support of the Mayor's Mandate for a clean, green and beautiful City, an RFP will be issued in June 2007 to develop a public space beautification plan for 11 major cultural institutions. City Planning will manage this City wide plan. One-time funding of \$0.125 million is recommended to enable the City to take significant first steps towards addressing beautification of public spaces in need of refurbishment.

Enhanced Architecture & Urban Design Award

The 2007 Recommended Budget includes an increase of \$0.058 million gross and \$0.006 million net in the City's portion of funding for the Architect and Urban Design Awards. This award occurs every other year with the next award to occur in September 2007.

- Funding for this award was decreased last year as the award was not given out in 2006.

- Increases expenditures in this program will be somewhat offset through donations.

Zoning By-Law Mapping Harmonization/Maintenance

Funding of \$0.011 million gross and \$0 net is recommended to cover ongoing maintenance costs associated with the software required to convert and maintain city-wide GIS zoning data. This operating budget impact of capital is expected to be ongoing with potential reduction occurring once the Zoning By-law project moves from conversion phase into maintenance phase.

- The ongoing maintenance costs of \$0.011 million are planned to be offset by planning fees adjustments and this funding is therefore recommended with \$0 net impact.

Training for Committee of Adjustment Members

City Council has requested staff, on several occasions throughout this past term of Council to give consideration to improving training opportunities for Committee of Adjustment Panel members. With approval of the new Official Plan it is important that panel members are fully versed in the interpretation and application of the Plan's policies.

- The \$0.030 million cost of training will be offset by an increase in Committee of Adjustment application fees and is therefore recommended with \$0 net impact to the City.

New City Model

The physical model of downtown Toronto - located in the lobby of City Hall - is in a severe state of disrepair and needs to be replaced. The total cost of a new City model estimated at \$0.125 million with required funding in 2007 of \$0.050 million, will be funded by private donations. An RFP for a model maker would be issued to construct the new model using the latest Computer Aided Design modeling technique.

- The cost of the new model is planned to be entirely offset by private donations from the design and development community and is contingent on receipt of this funding over 2007 and 2008. This initiative is therefore recommended subject to receipt of third party donations.

Recommended New Service Priorities - Council Approved:***Bloor Corridor Visioning Study – Phase 1***

The objectives of the study are to develop a vision, develop principles, performance criteria, urban design concept, determine potential impacts on the local community and the protection of stable residential neighbourhood in the Bloor Corridor.

- City Council at its meeting of July 2005 adopted Toronto East York Community Council Report 6, Clause 8 and so doing authorized section 37 funds to be used for undertaking the Bloor Corridor Visioning Study.
- A consultant will propose design guidelines and possible zoning changes that will better equip staff to deal with new development along the Bloor Corridor to provide better building transition, fit and reduced impact on the adjacent community.

- The recommended expenditure of \$0.070 million is planned to be offset by already authorized use of Section 37 development funding and is therefore recommended.

Recommended New Service Priorities - Program Initiated:***Standard Fee for Committee of Adjustment Research Requests***

As approved by Council, a new standard fee of \$150.00 will be implemented on April 1, 2007 for significant Committee of Adjustment research requests. This fee has been established to recover the costs associated with staff time that is required to research, compile and produce the requested documentation.

Issues for Discussion

2007 Operating Budget Issues

Full Cost Recovery Model

In 2006 City Planning experienced 94% cost recovery for Community Planning and 86% cost recovery for Committee of Adjustment, however the applicable cost recovery model does not account for all City wide eligible direct and indirect costs associated with these services. As a result the true cost recovery rate is not known. With fee increases which have been approved by Council, the 2007 cost recovery rate as determined with the existing cost recovery model will remain at 94% for Community Planning and the Committee of Adjustment rate will increase to 93%.

In response to City Council's direction, City Planning with the support of the Development Application Review Team (DARP), and other affected divisions, is currently undertaking a fee rationalization exercise. This review will identify all City wide eligible direct and indirect costs related to the processing of community planning and development applications.

The Deputy City Manager responsible for City Planning will report back to the Planning and Growth Management Committee before the 2008 budget process with the results of the fee rationalization exercise as well as with a proposed phased approach to increasing all applicable fees. The team is working with Corporate Finance and other involved Divisions in undertaking this review.

Strategic Recruitment

The Savings in salary and benefit funding for City Planning is reflective of the hiring cycle. The favourable 2006 preliminary year-end actual gross expenditure variance of \$2.328 million is primarily a result of higher than anticipated vacancies. City Planning is actively working with Human Resources to fill vacant positions and to develop an accelerated hiring plan within the context of the Local 79 Collective Agreement.

Public Space Beautification Plan

Many of our public spaces are in need of refurbishment. An RFP will be issued in June 2007 to develop a public space beautification plan for 11 major cultural institutions. Funding for this will allow the City to take significant first steps towards beautifying public spaces. It is anticipated that this consultant report will be completed by the last quarter of 2007.

Appendix 1

Summary of Recommended Base Budget Changes From 2006 Approved Budget

(In \$000s)	Summary of 2007 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2008	2009
		\$	\$	\$	\$	\$
2006 Council Approved Operating Budget	344.0	31,938.6	18,743.5	13,195.1	0.0	0.0
In-year approvals and technical adjustments	2.5	298.6	298.6	0.0		
Corporate adjustments	0.0	0.0	0.0	0.0		
2006 Approved Operating Budget	346.5	32,237.2	19,042.1	13,195.1	0.0	0.0
Prior year impacts	(2.0)	124.3	127.3	(3.0)	63.9	(116.9)
Merits		479.0		479.0		
Zero base items		(33.0)		(33.0)	(67.0)	
Economic factors		935.5	343.2	592.3	362.0	(363.1)
Adjusted Base Budget	344.5	33,743.0	19,512.6	14,230.4	358.9	(480.0)
Other base changes		(449.7)	154.7	(604.4)		
Base revenue changes			(219.8)	219.8	(103.6)	
Recommended Service Level Adjustments:						
Service efficiencies				0.0		
Revenue adjustments			486.4	(486.4)		
Minor service impact		(25.0)		(25.0)		
Major service impact				0.0		
Total Recommended Base Adjustments	0.0	(474.7)	421.3	(896.0)	(103.6)	0.0
2007 Recommended Base Budget	344.5	33,268.3	19,933.9	13,334.4	255.3	(480.0)
2007 Program Operating Target	N/A	N/A	N/A	13,195.1	0.0	0.0
% Over (Under) Program Target				1.1%	1.9%	-3.64%
% Over (Under) 2006 Appvd. Budget				1.1%	1.9%	-3.64%

Appendix 2

Summary of Service Level Adjustments

Appendix 3

Summary of 2007 Recommended New / Enhanced Service Priorities