

Analyst Briefing Notes

Budget Committee (February 10, 2009)

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Contacts: Judy Skinner
 Manager, Financial Planning
 Tel: (416) 397-4219

 Anna Chablinskaia
 Senior Financial Planning Analyst
 Tel: (416) 397-4532

PART I: 2009 OPERATING BUDGET**Executive Summary**

- The goal of Parks, Forestry and Recreation is to provide world-class parks, a healthy urban forest and a wide variety of leisure opportunities and recreation experiences to Toronto's diverse communities in order to steward the environment, support lifelong active living and contribute to child and youth development.
- In achieving this goal, the Program faces significant challenges, including:
 - Unachievable Revenue Targets – Although improving, the Program has experienced chronic difficulty in meeting its revenue budget for golf, concessions, leases and agreements.
 - Expenditure Growth – The Program's Operating Budget has grown, on average, by more than \$10 million annually since 2003. The growth is largely attributed to the increasing operating impacts of capital projects and development agreements resulting in new park land and facilities, merit and step increases and cost-of-living adjustments (COLA). This rate of growth is not sustainable, yet the Program may be challenged to maintain current service levels without additional funding.
 - Future Impacts – The operation of future Waterfront projects will place considerable incremental financial and operating pressure on the Program.
 - Urban Forest – Expanding the urban forest, while maintaining it under increasingly unpredictable natural conditions, will require significant investment.
 - Security Issues – Additional resources will be required to address various security issues and ensure staff and participants' safety in ferry compounds operated by the Program.
 - Infrastructure and Programming Demands – The Program is facing a number of challenges related to aging facilities and keeping activities within them relevant to Toronto's changing communities.
- To address these challenges, the Program has established the following service objectives for the next three years:
 - To develop and integrate new Waterfront parks and sports fields and continue the implementation of the City's Waste Diversion Strategy;
 - To begin the development of a Parks Service Plan;
 - To implement the Urban Forestry Service Plan to expand and sustain the urban forest; and
 - To develop a Five-Year Recreation Service Plan and improve access to recreation by removing economic, cultural, disability and systems barriers.

- The 2009 Recommended Operating Budget provides \$6.769 million in base and new funding for priority initiatives that address the Program’s challenges and objectives and advance the Mayor’s Mandate and Council’s policy agenda. Priority initiatives include:
 - Operation of new waterfront parks and public spaces (\$0.443 million gross and net);
 - Sustaining and expanding the urban forest and increasing the tree canopy from 17% to 34% as outlined in the *Climate Change Adaptation, Clean Air and Sustainable Energy Action Plan* (\$6.144 million gross and \$1.570 million net); and
 - Ensuring compliance with Transport Canada’s new Marine Security Act (\$0.182 million gross and net).
- The 2008 preliminary Operating Budget results for Parks, Forestry and Recreation show an unfavorable net expenditure variance of \$2.424 million or 1% of the net 2008 Operating Budget. This unfavourable variance is attributed to unrealized revenues, overtime costs, increased fuel prices, and increased spending on facilities and parks maintenance.

Table 1: 2009 Recommended Operating Budget

	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008 Appvd. Budget	2008 Projected Actual*	2009 Base	2009 New/Enhanced	2009 Operating Budget			2010	2011
						\$	%	\$	\$
(In \$000s)	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	321,087.5	319,110.0	332,286.9	5,378.0	337,664.9	16,577.4	5.2	8,920.3	7,458.2
REVENUE	82,688.1	80,710.6	85,890.0	5,428.0	91,318.0	8,629.9	10.4	2,174.4	5,677.4
NET EXP.	238,399.4	238,399.4	246,396.9	(50.0)	246,346.9	7,947.5	3.3	6,745.9	1,780.8
Approved Positions	4,172.6	3,858.0	4,229.9	13.4	4,243.3	70.7	1.7	10.3	0.9
TARGET			233,631.4		233,631.4				
\$ Over / (Under) Program Target			12,765.5		12,715.5				
% Over / (Under) Program Target			5.5%		5.4%				

*Projected Actuals based on Third Quarter Variance Report

- The 2009 Recommended Operating Budget for Parks, Forestry and Recreation is \$337.665 million gross and \$246.347 million net which is \$7.948 million or 3.3% over the Program’s 2008 Approved Operating Budget, and includes funding to provide an increased level of service in Forestry and the operation of new facilities and parklands.
- The 2009 Recommended Operating Budget for Parks, Forestry and Recreation is \$246.347 million net and is \$12.716 million or 5.4% higher than the 2009 target of \$233.631 million which is set at 2% below the 2008 Approved Operating Budget.
- The Program’s 2009 Recommended Operating Budget is comprised of base funding of \$332.287 million gross and \$246.397 million net and funding for new/enhanced service priorities of \$5.378 million gross and \$0.050 million net revenue. Approval of the 2009 Recommended

Operating Budget will result in the Program's staff complement increasing by 70.7 positions to 4,243.3 approved positions.

- The 2010 Outlook anticipates a net increase of \$6.746 million which includes initial estimates for the full year capital impacts of new park land and facilities becoming operational in 2010, merit and step adjustments and incremental revenue from introducing the seasonal permit administration fee in 2009. It also includes second year impacts of service level adjustments recommended in 2009 and projected funding for sustaining and expanding the urban forest.
- The 2011 Outlook anticipates a net increase of \$1.781 million and includes a number of third year capital impacts of new parkland and facilities, merit and step adjustments to staff compensation, as well as projected funding for sustaining and expanding the urban forest.
- The 2009 Recommended Base Budget funds the Program's key cost drivers including new operating impacts arising from the capital program, merit and step increases and other non-discretionary expenditures that total \$10.737 million. These are partially defrayed by \$1.126 million in additional revenue from an inflationary increase of 3.7% in the recreation programming fees and parks and recreation permit fees, efficiencies of \$0.144 million and the following service adjustments resulting in savings of \$1.469 million:
 - A reduction of one week of seasonal staff for Parks operations while maintaining the 2008 service level – savings of \$0.600 million net;
 - A reduction in recreation client support staff by 5% - savings of \$0.258 million net;
 - A reduction in expenditures for Golf Courses – savings of \$0.058 million net;
 - Continued deferral of ravine and watercourse maintenance expansion – savings of \$0.250 million net;
 - Restructuring of divisional support functions – savings of \$0.243 million net; and
 - Continued deferral of two increases in community services which have yet to be implemented (Intercultural Youth and Diversity Outreach and Community Engagement) while maintaining 2008 service levels – savings of \$0.060 million net.
- The Recommended New/Enhanced Service Priorities, totalling \$5.378 million gross and \$0.050 million net revenue, promote the objectives of the Program in improving access to recreation programs, address Council's priorities to expand and sustain urban forestry and advance the Mayor's Mandate and policy agenda. They include:
 - Improving access to recreation programs for Welcome Policy clients by implementing a new CLASS subsidy management module supporting universal on-line and touch-tone access (\$0.744 million gross, \$0 net);
 - Improving maintenance of commercial trees and trees on city streets (\$2.283 million gross and \$0 net);

- Improving the process for review of applications for construction and development that have the potential to injure or destroy trees (\$0.686 million gross and \$0 net);
 - Improving public spaces by supporting growth of the Commemorative Tree and Bench Program (\$0.060 million gross, \$0 net);
 - Transfer of tree planting from the Capital Budget to the Operating Budget (\$1.605 million gross, \$0 net); and
 - Introduction of new seasonal permit administration fee (\$0.050 million net revenue).
- The 2009 Recommended Operating Budget will allow Parks, Forestry and Recreation to maintain 1,473 named parks, 7,390 hectares of green space and more than 3,000,000 trees on streets, ravines, parks and natural areas. It will also allow the Program to provide a wide range of recreation and leisure programs, services and facilities for people of all ages and abilities, promoting active and healthy life styles. In addition, the 2009 Recommended Operating Budget will fund:
 - Maintenance of new waterfront parks and public spaces (\$0.443 million gross and net);
 - Improvement of parks and parks amenities (\$0.775 million gross and net);
 - Increasing recreation programs and service levels available to Toronto's communities at various community centres (\$1.287 million gross and \$1.071 million net);
 - Additional 13 staff to sustain a new 311 Work Order System for managing service requests and work orders;
 - Increase in security staffing in the ferry compound and at the vehicle entrance in order to meet new legislative requirements and ensure compliance with Transport Canada's new Marine Security Act (\$0.182 million gross and net);
 - Maintenance of an additional 18,000 trees on city streets, in parks and natural areas, as well as replacement of 270 damaged commercial trees which are set in sidewalks or in the containers in sidewalks (\$2.283 million gross and \$0 net);
 - Improvements to the review process for construction and development near trees to ensure that they meet legislated tree protection requirements (\$0.686 million gross and \$0 net);
 - The planting of 58,273 trees (\$1.605 million gross and \$0 net); and
 - Implementation of the Class Recreation Subsidy Module which will provide Welcome Policy participants with the ability to register for recreation programs through touch-tone phone or internet, giving them the same access as other citizens of Toronto (\$0.744 million gross and \$0 net).

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Operating Budget for Parks, Forestry and Recreation of \$337.665 million gross and \$246.347 million net, comprised of the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Parks	76,444.1	70,784.7
Community Recreation	110,811.4	60,246.7
Urban Forestry	37,394.2	27,174.0
Strategic Services	19,350.0	(1,466.2)
Development & Infrastructure Management	80,622.3	76,768.8
Divisional Coordination & Community Engagement	3,013.9	3,009.9
Management Services	10,029.1	9,829.0
	<hr/>	<hr/>
Total Program Budget	337,665	246,347
	<hr/>	<hr/>

2. The General Manager of Parks, Forestry and Recreation and the Chief Financial Officer report to the Budget Committee prior to the 2010 Capital and Operating Budget cycles on a proposed multi-year implementation and financing plan for sustaining and expanding the urban forest.

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

Parks, Forestry and Recreation’s 3-Year Service Plan is directed, in part, by the Program’s Strategic Plan, *Our Common Grounds*, as well as a number of Council-approved reports including *Parks and Recreation Service Improvement Priorities* and *Clean and Beautiful City*.

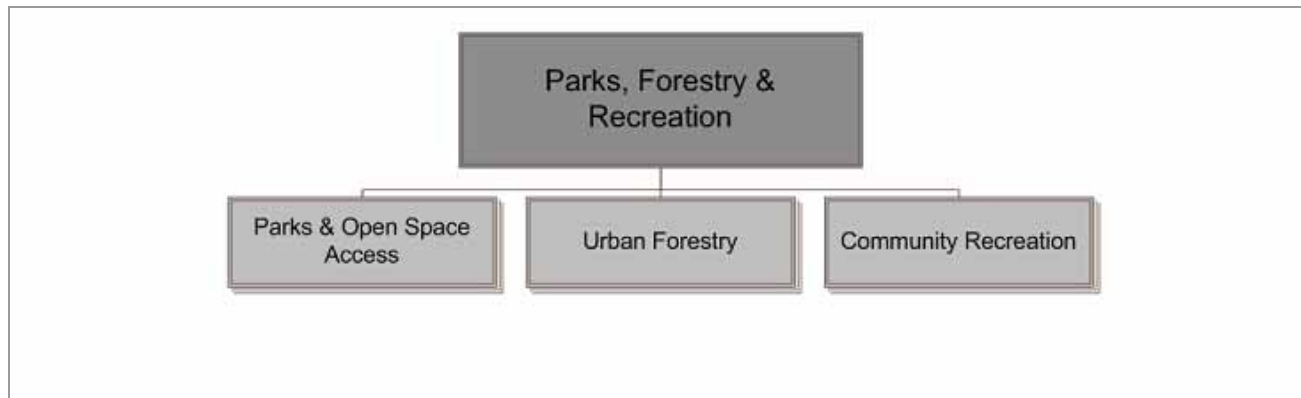
The Parks, Forestry and Recreation mission is:

Parks, Forestry and Recreation brings together all of Toronto’s diverse communities on a common ground. We provide a wide variety of leisure and recreational opportunities that include all Toronto residents. In our centres, parks and playing fields, we encourage communities to help themselves, and aid Torontonians to become the best they can be. We measure our success by quality, satisfaction and community development outcomes. Our parks, playing fields and recreation centres and amenities along with our trails, forests, meadows, marshes, and ravines, will be beautiful, clean, safe, and accessible, meeting all our communities’ needs.

In order to fulfill this mission, the Division provides the following services to the public:

- **Parks and Open Spaces Access:** Provide clean, safe and well-maintained green space and park amenities for passive and permit use, and promote ways horticulture can enhance urban aesthetics.
- **Urban Forestry:** Sustain and enhance the urban forest through planting of new trees, protection and maintenance of existing resources, and planning policy for the future.
- **Community Recreation:** Deliver a variety of recreation programs and services that promote the social and physical development for people of all ages, with an emphasis on children and youth.

Program Map



The Program also performs the following functions to support the delivery of services to the public:

- **Parks Development and Infrastructure Management:** Ensure that all facilities are operated to provide a safe, clean and efficient environment for all users and staff. Service includes planning, developing, maintaining and supervising facilities, assets and capital projects.
- **Strategic Services:** Oversee the operation of ferry services, the City's public golf courses and Toronto Island. The program also supports partnership development, strategic planning and business services.
- **Divisional Coordination and Community Engagement:** Coordinate Divisional initiatives and provide leadership for Access and Diversity, Community Engagement and inter-branch coordination functions.
- **Management Services:** Provide financial planning and reporting, accounting, staff support, administrative support, health and safety compliance and labour relations services within the Division.

Service Challenges and Opportunities

Parks, Forestry and Recreation delivers programs and services within a highly complex set of service challenges and opportunities. The Program is engaged in an extensive range of frontline services that contribute significantly to the quality of life of all Torontonians and the overall health of the City's diverse communities. Many of the programs and services delivered by Parks, Forestry and Recreation are key drivers in achieving the City's high-level goals of social inclusion and cohesion.

The following section summarizes the external and internal factors that affect the Program's service delivery, with attention given to service drivers resulting from the priorities set by the Mayor and the Council, approved strategic plans, service demands, legislative changes, information and technology requirements, as well as human resources requirements.

- **External Service Drivers:**
 - **Mayor and Council Priorities:** The revitalization of Toronto's waterfront is currently underway. Parks, green spaces, naturalized areas and a continuous 10-km water's edge promenade will make up 300 hectares of Toronto's revitalized waterfront. Given the high level of capital investment, landscape design and public expectation, the new parks will require an equally high level of operations, maintenance and programming. In addition to regular parks maintenance activities, environmental monitoring programs will be required at these and other sites along the waterfront.
 - **Service Demands:** The aging urban forest has resulted in an overall increase in numbers of tree failures. The delay for tree service has grown creating non-compliance with industry standards, increased liability to the City and delays in Council approved initiatives.

- **Legislative Changes:** Ferry operating requirements will be impacted as a result of a new legislation introduced by Transport Canada. The new legislation will increase the enforcement capability of past legislation and introduce stricter guidelines to ferry staffing levels and lifeboat and vessel stability regulations. The regulation will also expand beyond the actual vessels and include the ferry docks and compound areas requiring increased levels of security. New infrastructure and resources required to comply with Transport Canada safety regulations have financial implications.
- **Approved Strategic Plans:** Parks, Forestry and Recreation continues to implement the commitments outlined within the Programs's strategic plan, *Our Common Grounds*, a 15-year action plan to effectively deliver parks, forestry and recreation services that are reflective and responsive to the changing needs of the City's diverse communities. However, insufficient resources and competing priorities, can at times, redirect efforts away from core service responsibilities.
- **Environmental Changes:** Climate change will impact all services as the impacts of severe weather, changes in the shoulder seasons and smog days affect a wide variety of service delivery activities in the outdoors. Additional resources will be required in order to address the impacts of climate change.
- **Internal Service Drivers:**
 - **Program Mix:** The mix of free and fee based recreational programs and current access policies will require meticulous service planning to mitigate the financial pressures of service delivery.
 - **Information and Technology:** Development and implementation of a Work Order System to track service requests and work orders will require new hardware, staff training and additional resources to operate the system.
 - **Human Resources:** Parks, Forestry and Recreation Operations were not harmonized after amalgamation in a number of areas. There are many positions which are undergoing changes in 2008-09 to be consistent with the new functional model. These changes will have considerable financial implications in 2009.
 - **Aging Infrastructure:** Infrastructure for recreation facilities and parks amenities requires significant repairs or replacements and increasing public demand for new and improved facilities continues to present a significant challenge for the Program.

Service Objectives

Parks, Forestry and Recreation has established service objectives and targets for 2009 and beyond to address the Program's identified challenges and opportunities.

Parks and Open Space Access:*1. Develop and integrate New Waterfront Parks and Sports Fields.*

Parks, Forestry and Recreation is responsible for managing, operating and environmental monitoring of new Waterfront parks and sports fields. Parks, Forestry and Recreation and Toronto Waterfront are currently working on designing, developing and completing the public spaces planned for the waterfront with a majority of park projects scheduled to be finished by 2010.

2. Continue implementation of Waste Diversion Strategy.

Implementation of this plan has made the Program a national leader in waste diversion. By focusing on waste diversion education and new recycling standards, the Program diverted an average of 49 per cent of its waste from landfill. Parks, Forestry and Recreation will continue to support the implementation of the Waste Diversion Strategy and work towards diverting an average of 70 per cent of its waste from landfill by 2010 through improving its recycling strategy for parks and facilities.

3. Begin the development of a Parks Service Plan.

The Program will begin the development of Parks Service Plan that will outline parks and open space access, standards and amenities.

Urban Forestry:*4. Sustain and expand the urban forest canopy from 17% to 34% in the next 40 years.*

The City's Official Plan makes a commitment to ensuring that Toronto's urban forest is enhanced and in a state of good health. This is reinforced by the *Climate Change Adaptation, Clean Air and Sustainable Energy Action Plan* which further commits to increasing the tree canopy from 17% to 34%. In order to achieve this target, the Program will be providing effective protection of trees, proactively maintaining trees and managing natural areas, and planting more trees.

Community Recreation:*5. Develop a Five-Year Recreation Service Plan supported by the Facilities and Amenities strategy.*

The Program is developing a Five-Year Recreation Service Plan in order to improve recreation programs and services so that they are locally responsive to changing needs and interests of diverse communities. The plan will assist the Program in providing universally accessible, socially inclusive, high quality programs and services for all Torontonians.

6. Improve access to recreation by removing economic, cultural, disability and systems barriers.

In 2000, the Program introduced the Welcome Policy, which provides 'no fee' access to recreation programs and priority centres for low income participants who are deemed eligible.

Approximately 31,791 individuals and 9,636 families were approved for the Welcome Policy in 2008. In 2009 the Program will be implementing a new module of the recreation program registration system, CLASS, to provide Welcome Policy participants with the ability to register through touch-tone phone or internet.

Priority Actions

The 2009 Recommended Operating Budget for Parks, Forestry and Recreation provides funding for maintaining the 1,473 named parks, 7,390 hectares of green space and more than three million trees on streets, ravines, parks and natural areas. It supports a wide range of recreation and leisure programs, services and facilities for people of all ages and abilities, promoting active and healthy life styles. More than 60,288 recreation programs are offered and 7.8 million participant visits to sites and facilities are made annually.

The 2009 Recommended Operating Budget provides \$6.769 million in base and new funding for a broad range of services and activities that advance the Mayor's Mandate and Council's policy agenda.

- ***A Wonderful Waterfront City***

The 2009 Recommended Operating Budget provides base funding of \$0.443 million gross and net for operation of new waterfront parks, beaches and public spaces.

- ***Climate Change, Clean Air and Sustainable Energy Action Plan***

The 2009 Recommended Operating Budget provides base and new funding of \$6.144 million gross and \$1.570 net to begin increasing the tree canopy from 17% to 34% as outlined in the *Climate Change Adaptation, Clean Air and Sustainable Energy Action Plan*. The following highlights the funding provided in the 2009 Recommended Operating Budget for this purpose:

- **Ongoing Tree Maintenance:** 2009 Recommended Operating Budget provides \$3.853 million gross and \$1.570 million net for Urban Forestry to begin a planned and proactive tree maintenance program on trees on city streets, in parks and natural areas, as well as commercial trees which are set into sidewalk or in containers in the sidewalk. This funding will also ensure that the ravines and natural areas are inspected and immediate tree hazards removed.
- **Tree Protection:** The 2009 Recommended Operating Budget allocates \$0.686 million gross and \$0 net for the improvement of review process for construction and development near trees to ensure that they meet legislated tree protection requirements.
- **Planting of New Trees:** The 2009 Recommended Operating Budget funds \$1.605 million gross and \$0 net for planting new trees and shrubs.

- ***Legislative Requirements and Compliance with Federal Regulations***

The 2009 Recommended Operating Budget provides \$0.182 million gross and net to address new legislative requirements and ensure compliance with Transport Canada's new Marine Security Act. Security staffing in ferry compound and at the vehicle entrance will be increased by 5 additional positions.

- *Community Health and Wellness*

Parks, Forestry and Recreation will continue to develop recreation and care services for school age children through the After School Recreation and Care (ARC) Program. The ARC Program is part of the City's strategy to support the care needs of school age children during after school hours, from Monday to Friday, during the school year. Implementation of the ARC Program began in September 2006, with 13 sites, one in each of the 13 priority neighbourhoods. All ARC program sites have been selected using criteria that reviewed accessibility for families, local service needs and appropriateness of facilities. The ARC Program is now being offered at 28 sites with seven of them located in the Toronto Catholic District School Board schools.

PART III: 2008 BUDGET VARIANCE ANALYSIS

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Approvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	304,765.9	321,087.5	319,110.0	(1,977.5)	(0.6)
REVENUES	76,658.8	82,688.1	80,710.6	(1,977.5)	(2.4)
NET EXP.	228,107.1	238,399.4	238,399.4	0.0	0.0
Approved Positions	4,143.8	4,172.6	3,858.0	(314.6)	(7.5)

*Projected Actuals based on Third Quarter Variance Report

2008 Experience

Parks, Forestry and Recreation's Third Quarter Operating Variance report for 2008 indicated projected actual year-end expenditures of \$238.399 million net with zero year-end variance.

At year end, the 2008 preliminary Operating Budget results for Parks, Forestry and Recreation show an unfavorable net expenditure variance of \$2.424 million or 1% of the net 2008 Operating Budget. This unfavourable variance is attributed to unrealized revenues, overtime costs, increased fuel prices, and increased spending on facilities and parks maintenance.

Since the Third Quarter Operating Variance report for 2008, 68 vacant positions in Parks, Forestry and Recreation have been filled and additional 23 positions were posted and are expected to be filled in the near future.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

The following factors which attribute to Parks, Forestry and Recreation's projected 2008 operating budget variance will also impact the Program's 2009 Operating Budget:

- Unachievable revenue budgeted for concessions, leases and operating agreements: Although improving, the Program has had chronic difficulty in meeting its revenue budget in these areas.
- Facilities and Real Estate Interdivisional Charges: increased work orders due to aging infrastructure, and rising costs will continue into 2009.
- Overtime Costs: budget pressures in overtime in accordance with the collective agreement, pressure for emergency storm damage work in Forestry, Toronto Island, golf courses and parks, as well as mandated overtime for certain operations.

PART IV: 2009 RECOMMENDED BASE BUDGET
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Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Appvd. Budget	2009 Recommended Base	Change 2009 Recommended Base v. 2008 Appvd. Budget		FY Incremental Outlook	
	\$	\$	\$	%	2010	2011
	\$	\$	\$	%	\$	\$
GROSS EXP.	321,087.5	332,286.9	11,199.4	3.5	3,626.9	1,780.8
REVENUE	82,688.1	85,890.0	3,201.9	3.9	19.4	0.0
NET EXP.	238,399.4	246,396.9	7,997.5	3.4	3,607.5	1,780.8
Approved Positions	4,172.6	4,229.9	57.3	1.4	10.3	0.9
NET TARGET		233,631.4			0.0	0.0
\$ Over / (Under) Program Target		12,765.5			3,607.5	1,780.8
% Over / (Under) Program Target		5.5%			1.5%	0.8%

2009 Recommended Base Budget

The 2009 Recommended Base Budget expenditures of \$332.287 million gross reflect an increase of \$11.199 million or 3.5% compared to the 2008 Approved Operating Budget of \$321.088 million.

Budgeted revenue for 2009 is \$3.202 million or 3.9% greater than in 2008. However, the 2009 Recommended Base Budget does not account for the underachievement of revenue in 2008 in areas such as concessions, leases and agreements.

The 2009 Recommended Base Budget of \$246.397 million net represents a \$7.998 million or 3.4% increase over Parks, Forestry and Recreation's 2008 Approved Operating Budget.

The 2009 Recommended Base Budget for Parks, Forestry and Recreation is \$246.397 million net and is \$12.766 million or 5.5% higher than the 2009 target of 233.631 million which is set at 2% below than the 2008 Approved Operating Budget, after accounting for service level adjustments of \$1.613 million.

The 2009 Recommended Base Budget will largely serve to maintain service levels offered in 2008, as well as fund the operating impacts of new facilities and parkland from capital projects and enhance service levels in forestry approved in 2008.

The 2009 Recommended Base Budget includes 4,229.9 approved positions which is 57.3 positions more than the approved staff complement in 2008. Of these additional positions:

- 20.3 positions arise from the operating impact of new facilities and parklands coming on stream as a result of the Parks, Forestry and Recreation's Capital Budget, Section 37 agreements and Waterfront Toronto developments;

- 13 positions arise from the implementation of a new 311 Work Order Management System for managing service requests and work orders; and
- 5 positions arise from increased security requirements for ferry operations.

2009 Key Cost Drivers and Reduction Strategies

The additional \$10.737 million in net expenditures recommended for the Program's 2009 Base Budget is needed to fund the annualized costs of 2008 approved new services, merit and step increases, non-labour inflationary factors, operating impacts of new facilities and parkland, as well as other base changes, such as higher interdivisional charges, fee increases and mandated overtime. The following is a summary of the key cost drivers in 2009.

- Annualized costs of the Program's capital program, waterfront development projects and various development-related projects, as well as annualized impacts of recreation and ferry fee increases in 2008 and 2008 cost-of-living adjustments (COLA), total \$2.818 million for 2009;
- New operating impacts arising from Parks, Forestry and Recreation's capital program, waterfront development projects and various development-related projects, as well as funding required to sustain the new Work Order Management System and increased security requirements, total \$2.630 million;
- Merit and step adjustments to staff compensation total \$0.516 million and will be offset by the reversal of funding provided for the extra working day in 2008;
- Labour related costs total \$0.891 million and are comprised of \$0.125 million for mandated overtime for golf courses, Toronto Island and ferry operations, and \$0.766 million for wage harmonization;
- Operations related costs such as credit card and internet connection fees and funding for new Family Day statutory holiday for eligible employees total \$1.031 million; and
- A 55% catch-up increase in the flat rate charged to Parks, Forestry and Recreation by Fleet Services for regularly scheduled maintenance results in an additional expenditure increase of \$1.168 million in 2009.

To alleviate some of this expenditure impact, the 2009 Recommended Base Budget incorporates \$1.126 million in additional revenue from an inflationary increase of 3.7% in the recreation programming fees and parks and recreation permit fees.

The 2009 Recommended Base Budget also includes the following service level adjustments, which generate aggregate savings of \$1.469 million net:

- A reduction of one week for seasonal staff for Parks operations while maintaining 2008 service level, for a savings of \$0.600 million;
- A reduction in recreation client support staff by 5%, for a savings of \$0.258 million;

- A reduction in expenditures for Golf Courses, for a savings of \$0.058 million;
- Continued deferral of the ravine and watercourse maintenance service expansion, approved in 2007, for a savings of \$0.250 million;
- Restructuring of divisional support functions, for a savings of \$0.243 million in 2009; and
- Continuation of the 2008 service level for two community services (Intercultural Youth and Diversity Outreach and Community Engagement) by deferring \$0.060 million in service expansion funding.

To further constrain the growth of the base budget, the Program will reduce fuel consumption by 10%, for a savings of \$0.144 million.

2010 and 2011 Outlook: Net Incremental Impact

The Outlook for the 2010 Operating Base Budget is \$3.608 million net, representing a 1.5% increase over the 2009 Recommended Base Budget. This includes initial estimates for the full year impacts of new parkland and facilities that will start operating in 2010, merit and step adjustments to staff compensation, and annualized impacts of service level adjustments recommended in 2009.

The following items which result from the 2009 Recommended Operating Budget for Parks, Forestry and Recreation will have a net incremental impact on the Program's 2010 Operating Budget:

- Operating impacts of new facilities and parklands to open in 2010 total \$1.985 million;
- Projected increases for merit and step are \$1.500 million;
- The full year impact of the efficiencies recommended in the 2009 Recommended Operating Budget, for additional savings of \$0.133 million.

The 2011 Outlook estimate of \$1.781 million is comprised of a projected increase for merit and step of \$1.545 million and operating impact of new facilities and parklands in the amount of \$0.236 million.

It should be noted that the outlooks do not include a provision for COLA, as this increase is subject to future negotiations.

PART V: RECOMMENDED NEW SERVICE PRIORITY ACTIONS

Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental Impact	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$	#	\$	\$
Enhanced Services:					
(a) Enhanced Services - Council Approved					
Climate Change: Area Maintenance - Trees on City Streets	2,000.0	0.0		2,000.0	
Climate Change: Commercial Tree Maintenance	283.0	0.0	2.0	364.7	
Climate Change: Improved Development Review & Tree By-Law Enforcement	686.0	0.0	8.0	823.7	
(b) Enhanced Services - Program Initiated					
Class Recreation Subsidy Module - Phase 2	744.0	0.0			
Improve Public Spaces: Commemorative Tree & Bench Program	60.0	0.0	1.0		
Sub-Total Enhanced Services	3,773.0	0.0	11.0	3,188.4	0.0
New Services:					
(a) New Services - Council Approved					
Tree Planting Adjustment from Capital to Operating Budget	1,605.0	0.0	2.4		
(b) New Services - Program Initiated					
New Seasonal Permit Administration Fee		(50.0)		(50.0)	
Sub-Total New Services	1,605.0	(50.0)	2.4	(50.0)	0.0
Total New/Enhanced Services	5,378.0	(50.0)	13.4	3,138.4	0.0

2009 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priority Actions – Council Approved

Climate Change: Area Maintenance – Trees on City Streets (\$2.000 million gross, \$0 net)

The 2009 Recommended Operating Budget for Parks, Forestry and Recreation includes \$2.000 million gross and \$0 net for maintenance of trees on city streets. Reserve Fund resources have been allocated to offset the cost of this initiative which will allow Urban Forestry to begin to maintain trees on a systematic block pruning or community by community basis. As the program is established, demand-based requests and responses will be minimized and crews will only provide emergency responses to hazards and potential for property damages that cannot wait for the newly established maintenance cycle to address damaged trees or dangerous limbs.

Climate Change: Commercial Tree Maintenance (\$0.283 million gross, \$0 net)

The 2009 Recommended Operating Budget provides \$0.283 million gross and \$0 net to be funded from the Environment Protection Reserve Fund for maintenance of commercial trees that are set in sidewalks or containers in sidewalks. These trees grow in harsh environments resulting in a high mortality rate. This funding will be directed towards maintaining approximately 300 additional commercial trees and replacing approximately 270 additional commercial trees. An addition of two permanent staff positions will be required to support this initiative.

Climate Change: Improved Development Review & Tree By-law Enforcement (\$0.686 million gross, \$0 net)

The 2009 Recommended Operating Budget provides \$0.686 million gross and \$0 net to ensure that the Program has adequate staff resources to support the enforcement of the City's Tree Protection by-laws, review applications for construction and development near trees in order to meet legislated tree protection requirements and perform tree protection inspection. This initiative will require additional 8 full-time permanent staff positions and will be funded by the Environment Protection Reserve Fund in 2009.

Enhanced Service Priority Actions – Program Initiated***Class Subsidy Management Module – Phase 2 (\$0.744 million gross, \$0 net)***

The Parks, Forestry and Recreation's 2009 Recommended Operating Budget includes an accounting adjustment of \$0.744 million gross and \$0 net to track the Class Subsidy Module. This represents a change in accounting treatment whereby a subsidy budget will be offset by welcome policy registrations, which will be made possible through use of the module. The Module will provide Welcome Policy participants with the ability to register for recreation programs through touch-tone phone or internet, giving them the same access as other citizens of Toronto.

Improved Public Spaces: Commemorative Tree and Bench Program (\$0.060 million gross, \$0 net)

The 2009 Recommended Operating Budget includes \$0.060 million for a permanent Administrative Support position to be 100% funded by donations, which will provide support to the Commemorative Tree and Bench Program. The Commemorative Tree and Bench Program allows the public to pay tribute to a person(s) or occasion by purchasing a park bench or tree for installation in a public park. The dedicated administrative support position will help increase the efficiency of the program by performing activities such as preparing certificates and processing tax receipts on a timely basis as well as assisting the supervisors in scoping appropriate locations.

New Service Priority Actions – Council Approved***Tree Planting Adjustment from Capital to Operating Budget (\$1.605 million gross, \$0 net)***

The City must comply with Public Sector Accounting Board (PSAB) standards which exclude natural assets, such as trees and shrubs, from being treated as capital assets. As a result, specific tree and shrub acquisition projects in the capital budget of all City Programs have been transferred to the

respective operating budgets, and the increased cost to the operating budget has been offset by the Environment Protection Reserve Fund. The Parks, Forestry and Recreation 2009 Recommended Operating Budget includes an adjustment to reflect \$1.105 million in tree planting costs that will no longer be funded through Capital Budget and \$0.500 million in donations for the Tree Advocacy Program, for a total of \$1.605 million net.

New Service Priority Actions – Program Initiated***New Seasonal Permit Administration Fee (\$0.050 million net revenue)***

Issuing of seasonal permits involves several steps and considerable amounts of staffing time and resources. Currently over 5,000 seasonal permits, representing 200,000 bookings, are processed annually with no administration fee. To alleviate current funding pressures and assist the Program in recovering costs, the 2009 Operating Budget for Parks, Forestry and Recreation recommends the introduction of a \$20.00 Seasonal Permit Administration Fee, which will result in \$0.050 million in additional revenue.

PART VI: ISSUES FOR DISCUSSION**2009 Budget Issues*****2009 Recommended Operating Budget vs. Guideline***

The 2009 Recommended Operating Budget for Parks, Forestry and Recreation is \$12.716 million or 5.4% higher than the 2009 target of \$233.631 million set at 2% below the 2008 Approved Operating Budget. The increase is mostly driven by the annualized costs of initiatives approved in 2008, merit and step increases, non-labour inflationary factors, operating impacts of new facilities and parkland, as well as other non-discretionary costs.

Reduction Strategies

The 2009 Recommended Operating Budget for Parks, Forestry and Recreation already reflects \$1.613 million in savings and any further reductions would result in significant service impact in 2009.

Recommended reduction options total \$1.613 million. These options include the following:

Continuing the Reduction of One Week of Seasonal Staff for Parks Operations: This recommended adjustment will maintain a one week reduction of seasonal staff time for parks operations that began in 2007 resulting in a savings of \$0.600 million, while maintaining 2008 service levels. The savings will be achieved through a reduction of fall maintenance in parks (10.6 position equivalents).

Reducing Recreation Client Support Staff by 5%: This adjustment will reduce recreation support staff by 5% resulting in a savings of \$0.258 million in 2009. This reduction relates to staff who greet and act as reception in major community centers (9.4 position equivalents). The reduction will have impacts on the Division's Security Plan but the service impact will be managed by adjusting functional support across the City.

Reducing Expenditures for Golf Courses: This reduction will reduce total expenditures for Golf Courses by \$0.058 million in 2009 and will be achieved through a one week early layoff of temporary greens keeper staff (1 position equivalents). Staff will work to minimize the impact of this reduction on service delivery.

Continuing Phasing In of Ravine and Watercourse Maintenance: New funding for Ravine and Watercourse Maintenance was approved in the 2007 Operating Budget. Implementation started, but was held by the 2007 cost containment exercise and then further deferred in 2008. This reduction will further phase in a component of Ravine and Watercourse Maintenance resulting in a savings of \$0.250 million (4 position equivalents) while maintaining 2008 service levels.

Restructuring Divisional Support Functions: The Program will gap 3 divisional support positions which are currently vacant resulting in a savings of \$0.243 million. Parks, Forestry and Recreation will restructure its support functions in 2009 to ensure a more responsive organizational structure which eliminates gaps and overlaps in functional accountabilities.

Continuing Current Service Level for Diversity Outreach and Community Engagement Programs:

This reduction will continue the deferral of the Diversity Outreach and Community Engagement programs for another year, resulting in a savings of \$0.060 million (1.4 position equivalents). Both programs were approved in 2007 Operating Budget but were never implemented due to the 2007 cost containment exercise and then deferred in 2008. Since the programs have not yet been implemented, this reduction will not reduce the service level currently provided, however, increased community outreach will be deferred.

Reducing Fuel Consumption: The Program will reduce its fuel consumption by 10% as a result of reduced idling practices and implementation of a new Work Order Management System. This reduction will decrease fuel consumption by 10% and result in savings of \$0.144 million in 2009.

To alleviate some of this expenditure impact, the 2009 Recommended Operating Budget incorporates the following incremental revenues:

Inflationary Adjustments to User Fees: Parks, Forestry and Recreation has historically increased recreation and permit fees by inflationary factors. Included in the 2009 Recommended Operating Budget is a 3.7% increase in recreation programs and permit fees and parks permit fees based on the Consumer Price Index for the Toronto census area to address inflationary factors. This increase is in line with inflationary fee increases implemented by other City programs and will result in \$1.126 million additional revenue in 2009. For example, this adjustment will increase fees for a sample swimming class by \$2.00 to a total fee of \$54.00 for 9 weeks, increase fees for a sample fitness and wellness course by \$3.00 to a total fee of \$84.00 for 10 weeks and increase ice permit fee for community youth by \$2.02 to a total of \$56.62 per hour.

Introducing New Seasonal Permit Administration Fee: The 2009 Recommended Operating Budget for Parks, Forestry and Recreation recommends a new seasonal permit administration fee of \$20.00 which will contribute \$0.050 million of additional revenue to meet the Program's increased costs.

Increases in user fees and the introduction of new seasonal permit administration fee represent a small contribution in comparison to the funding required to cover increased salary, wage and benefit costs in order to maintain the current level of service.

Revenue Variances

Since amalgamation, Parks, Forestry and Recreation has been consistently challenged to achieve its revenue budget estimates. In the last few years revenue shortfalls have been reducing and are estimated to be up to \$2.000 million in 2008 due to underachieved revenues for golf and leases and concessions.

Family Day Statutory Holiday

In the Fall of 2007 the Provincial government introduced Family Day as a new public holiday within the Employment Standards Act (ESA), 2000, increasing the number of public holidays from eight to nine. The first Family Day was observed on February 18, 2008.

The City of Toronto currently provides its permanent full-time employees 11 designated holidays which is a greater number of designated/statutory holidays than required under the ESA. It has been

determined that an employer who already provides for a greater benefit than stipulated by the ESA is not obligated to provide Family Day as a designated/statutory holiday. Notwithstanding this, in December 2007, City Council approved the provision of Family Day for February 18, 2008, in addition to the other holidays provided in the collective agreements, on a without prejudice and precedent basis - meaning that the approval was made for 2008 only.

In September 2008, City Council further considered the issue of Family Day for 2009 and directed that Family Day not be approved for 2009 as an addition to the designated/statutory holidays provided in the collective agreements and through City policy and where current public holidays exceed the ESA.

In the current part time recreation workers collective agreement, union members receive only eight public holidays and will be granted Family Day in order to provide the minimum nine public holidays stipulated in the ESA.

However, given that many recreation facilities will remain open and some part-time workers will be required to work on Family Day and the remainder must be compensated for the additional holiday, funding in the amount of \$0.208 million for statutory holiday pay is included in the 2009 Recommended Operating Budget.

Mandated Overtime

Parks, Forestry and Recreation operates five municipal golf courses, the Toronto Islands and the Marine Service. These seasonal operations are busiest on weekends and statutory holidays and often result in statutory holiday overtime. In addition, the Marine Service is legislated to operate ferries 365 days a year with extended hour days resulting in unavoidable overtime. Additional funding of \$0.125 million for the full year impact of overtime due to operations on weekends and statutory holidays is included in the 2009 Recommended Operating Budget.

Planting of Trees

The City must follow the Public Sector Accounting Board (PSAB) standard that excludes natural assets, such as trees and shrubs, from being treated as capital assets. As a result, tree and shrub acquisition projects in the capital budget of all City Programs have been transferred to the respective operating budgets, and funding from the Reserve Fund will offset these costs in 2009. In recent years, the Parks, Forestry and Recreation Capital Budget has included a Tree Advocacy project providing \$1.500 million (\$1.000 million debt funded, \$0.500 million from donations) for tree planting and \$0.105 million of funding was included in the Environmental Initiatives project for trees and shrubs to naturalize parkland areas. These amounts are now transferred to the Parks, Forestry and Recreation 2009 Operating Budget, with funding from the Environmental Protection Reserve Fund of \$1.105 million.

Sustaining and Expanding the Urban Forest

City of Toronto's Official Plan and the objectives expressed in Parks, Forestry and Recreation's document entitled "Our Common Grounds" commit to ensuring that Toronto's urban forest is enhanced and maintained in a state of good health. This is reinforced by the Climate Change, Clean Air and Sustainable Energy Action Plan (the "Climate Change Action Plan") which further commits to doubling the tree canopy from 17% to 34% by the year 2050.

In order to achieve these objectives, significant investment is required to develop and implement the Tree Canopy Strategy, characterized by three key pillars:

- **Improve Protection of Trees:** Maximize tree canopy potential by ensuring healthier trees and avoiding unnecessary tree damage or removal;
- **Proactively Manage and Maintain Trees:** Maximize tree canopy potential by ensuring healthier and longer lived trees; and
- **Plant More Trees:** Increase long term canopy potential through planting of more trees.

The strategy is prioritized based on associated liabilities to the City, public expectations and economic impacts. As such, the initial investment in 2009 will be directed at improving tree protection and beginning proactive maintenance of existing street trees. Once the benefits of a healthy urban forest have begun to be realized, the program will then include an increased level of tree planting.

The 2008 base funding provided for tree protection, tree maintenance and tree planting and allowed for approximately 5,486 development applications to be reviewed, approximately 32,987 trees to be maintained with an average pruning cycle of 39 years, and about 7,000 replacement trees to be planted. In addition, an estimated 4,050 new trees were planted along streets through capital funds provided by Transportation, approximately 3,121 trees planted in parks, streets and ravines through capital funds provided by Toronto Water and around 93,273 small trees and shrubs planted in natural areas through capital funds provided by Parks, Forestry and Recreation, Toronto Water and Transportation.

The 2009 Recommended Operating Budget for Parks, Forestry and Recreation includes \$4.539 million gross and \$1.570 million net in base and new funding and \$1.605 million transferred from Capital to the Operating Budget for maintaining and sustaining the urban forest.

In addition to funding provided for Parks, Forestry and Recreation, several other ongoing sources of funding will contribute a total of \$2.720 million for tree planting in 2009, in particular, \$2.000 million from Toronto Water and \$0.720 million from Transportation. Furthermore, additional \$0.075 million for tree planting is included in the 2009 Recommended Operating Budget for the Exhibition Place. In total, \$8.939 million will be allocated from various sources towards maintaining and sustaining the urban forest in 2009.

A multi-year implementation and financing plan is required to sustain and expand the urban forest and, in particular, make progress toward the objective of increasing the tree canopy from 17% to 34% by 2050. Urban Forestry's current annual base budget of funding of \$26.347 million will need

to be increased by an estimated \$25.000 million in the next 5 to 10 years to enable the Program to move towards achieving this objective.

The implementation plan will be informed by the results of a comprehensive study that will assess the current structure, distribution, health and diversity of the urban forest and the land base availability and site quality available for establishing canopy potential for the future urban forest. The Program will also perform 'pilot' shade audits and develop shade plans for priority playgrounds and waterplay facilities to assess existing shade provision and patterns of use at these facilities.

The following sections discuss the three key pillars of the Tree Canopy Strategy: Tree Protection, Tree Maintenance and Tree Planting and recommended 2009 funding levels.

Tree Protection

The 2009 Recommended Operating Budget allocates \$0.686 million gross and \$0 net for the improvement of the review process for construction and development near trees to ensure that they meet legislated tree protection requirements. This initiative will require additional 8 full-time permanent staff positions and will be funded by the Environment Protection Reserve Fund.

Current Service Level

Tree health and lifespan have been significantly reduced in recent years due to inadequate tree protection. Less than 50% development and construction related applications that have the potential to destroy or injure trees are responded to within acceptable timeframes. As a result, many applications proceed without any tree protection agreements in place and/or tree protection agreements are not adequately enforced. Only reported infractions are dealt with resulting in unnecessary tree damage and significantly increasing the potential for tree failure. Currently, approximately 5,486 applications are reviewed and site inspections conducted annually.

In addition, there have been significant forest health care issues (such Asian Long Horned Beetle , Emerald Ash Borer, Gypsy moth, etc.) that have arisen over the last several years. Each of these invasive species has the potential to damage or destroy tens of thousands of trees if not protected. In order to address these immediate threats, existing resources across forestry have been redirected from tree maintenance further decreasing overall tree health.

New Service Level

The addition of \$0.686 million recommended for 2009 will focus primarily on increasing the number of applications reviewed and processed. New funding will result in additional 1,395 applications reviewed and site inspections completed within time line each year. This will improve compliance with the City's Tree Protection By-laws.

The Program's objective is to achieve a target of reviewing 100% of the development and construction applications and associated inspections of applications that have the potential to destroy or injure trees. This will also support associated follow-up corrective action or prosecution, if required, as well as increased public education. Collectively, improved tree protection will result in tens of thousands of trees achieving fuller life expectancy and longer contribution to the urban forest canopy.

Tree Protection & Plan Review

	Expenditures (\$Million)	# of Applications Reviewed and Site Inspections Within Time Line (approx.)
2008 Base	1.372	5,486
2009 New Funding	0.686	1,395
2009 Base	2.058	6,881

Tree Maintenance

Current Service Level

Maintenance is currently delivered in response to demands and complaints regarding tree maintenance requirements. As a result, large areas of the urban forest receive little to no maintenance resulting in trees developing poor form and health. In turn, trees do not achieve full life expectancy.

Industry standard for tree maintenance is a regular cycle of 5 to 10 years. Currently, trees across Toronto’s urban forest are pruned on average every 39 years. Furthermore, the response time to the demands and complaints for tree service is reported at approximately 12 months and can drastically increase as a result of extreme weather.

New Service Level

Current annual service level for pruning and removal is approximately 32,987 trees per year. An addition of \$3.853 million in new funding recommended in 2009 will allow the Program to move towards planned and proactive tree maintenance with a systematic maintenance cycle. Approximately 18,430 additional street trees will be maintained in 2009.

Forestry Operations

	Expenditures (\$Million)	# of Trees Maintained (approx.)	Average Pruning Cycle (yrs)
2008 Base	17.437	32,987	39
2009 New Funding	3.853	18,430	
2009 Base	21.290	51,417	

Tree Planting

Current Service Level

Currently, there are approximately 7,000 bare root tree replacements planted annually resulting from a combination of reactive replacement of trees that have been removed and requests from the public who would like a street tree planted. In addition, approximately 2,200 small trees and shrubs were planted in natural areas in 2008. Additional trees are planted through the funds from Transportation and Toronto Water, as well as through donations to the Tree Advocacy Program.

New Service Level

The Parks, Forestry and Recreation 2009 Recommended Operating Budget includes an adjustment to reflect \$1.105 million in tree planting costs that will be funded by the Environment Protection Reserve Fund instead of through Capital Budget and \$0.500 million in donations for the Tree Advocacy Program, for a total of \$1.605 million net. This funding will allow for approximately 58,273 trees to be planted and ensure that 2008 level of tree planting is maintained.

Tree Planting

	Expenditures (\$Million)	# of Trees Planted (approx.)
2008		
Base	0.894	7,000
Contribution from Other Sources - Capital*	4.330	100,444
Total	5.224	107,444
2009		
Base	0.894	7,000
Transfer from Capital Budget**	1.605	58,273
Contribution from Other Sources***	2.720	40,696
Target	5.219	105,969

* Includes contributions from Toronto Water, Transportation and donations.

** Includes \$0.500 million in donations. Additional \$0.075 million is provided by Exhibition Place for tree planting.

*** Includes contributions from Toronto Water and Transportation.

Capital Funding

A total of \$1.039 million is included in the 2009 Capital Budget for Parks, Forestry and Recreation to acquire fleet and equipment necessary to increase tree preservation and the maintenance of the urban forest. Future requirements for new equipment are included in the Program's future years Capital Plan and Forecast.

Multi-Year Implementation and Financing Plan

A multi-year implementation and financing plan is required to sustain and expand the urban forest and, in particular, achieve the objective of increasing the tree canopy from 17% to 34% by 2050. In the 2009 Approved Capital Budget, \$48.000 million was allocated to the Environment Protection Reserve Fund to support doubling of the tree canopy. The 2009 Recommended Operating Budget for Parks, Forestry and Recreation includes \$6.144 million gross and \$1.570 million net for this purpose, partially supported by \$4.074 million from this Reserve Fund.

Urban Forestry's current annual level of funding of \$26.347 million will need to be increased by an estimated \$25.000 million in the next 5 to 10 years to enable the Program to move towards achieving the objective of doubling the tree canopy by 2050.

It is recommended that the General Manager of Parks, Forestry and Recreation and the Chief Financial Officer report to the Budget Committee prior to the 2010 Capital and Operating Budget cycles on a proposed multi-year implementation and financing plan for sustaining and expanding the urban forest.

Security Issues

On October 30, 2008, three new orders were issued to the Parks, Forestry and Recreation Division by the Ministry of Labour. These orders stem from a shooting incident that occurred in the parking lot of a community centre. The Program has been ordered by the Ministry of Labour to develop a plan for assessing the level of risk in all its workplaces, submit a compliance plan and undertake a comprehensive safety audit at the community centre where the shooting incidence took place. No additional funding have been approved for this item in the 2009 Operating Budget, however, it is anticipated that additional resources may be required in 2010 to address issues arising from Ministry of Labour orders for mandatory compliance plan and comprehensive safety audit.

Climate Change Adaptation, Clean Air and Sustainable Energy Action Plan

Toronto's *Climate Change, Clean Air and Sustainable Energy Action Plan* was developed to ensure that the City of Toronto and its residents, businesses and communities take action to cut greenhouse gas emissions, clean the air and create a sustainable energy future.

The plan outlines a number of recommended actions that will benefit residents, businesses and community groups, including:

- A Live Green Toronto program to encourage Torontonians to adopt more environmentally friendly lifestyles and reduce energy use at home, work and on the road;
- A framework to renew Toronto's concrete high-rise residential buildings;
- A pilot program for residential solar hot water heating;
- A "one-window" source of information on federal, provincial, municipal, private sector and community programs related to energy and the environment;
- A plan to promote local food production and increase community gardens;
- Community energy planning;
- A plan to double Toronto's tree canopy;
- The development of a strategy to adapt to climate change; and
- A plan to shift taxis and limousines to low emission or hybrid technology.

The 2009 Recommended Budget for Parks, Forestry and Recreation addresses and includes funding for the Plan's recommendation to double Toronto's tree canopy by 2050. Other recommendations will have financial implications for the Program and will be addressed in future years.

Outstanding Issues from 2008 and Prior Years*Water Efficiency Plan*

In 2004 the Council approved the Water Efficiency Plan that is being implemented by Toronto Water and is estimated to be completed by 2012. The Plan is designed to reduce water use across the City by 15% of the 2012 projected demand. It will improve operating efficiency of Water Production and Distribution and will be eventually reflected in improved performance measures. In addition, the Plan is estimated to save an equivalent of approximately \$220.000 million in water and wastewater treatment infrastructure expansions.

Currently, external stakeholders in Toronto are implementing water efficiency strategies as part of their operations. Given the Parks, Forestry and Recreation Program's consumption of water, Council adopted the following recommendation as part of the Toronto Water 2006 Approved Operating Budget:

The Deputy City Manager for the Parks, Forestry and Recreation Program, in consultation with the Acting Deputy City Manager for Toronto Water Parks identify potential water efficiency strategies regarding its operations and that the General Manager of Parks, Forestry and Recreation report to the Budget Advisory Committee prior to the start of deliberations for the 2007 Capital Budget process, on the strategies to improve water efficiency and costs of these initiatives.

A report from the General Managers of Toronto Water and Parks, Forestry and Recreation, and the Chief Financial Officer was considered by the Public Works and Infrastructure Committee at its meeting on January 9, 2008 and adopted by the Council on January 29-30, 2008. The report recommended the following actions to be taken in support of the City's Water Efficiency Plan:

- Undertake a water use and consumption audit of all PF&R facilities and sites, including a description of all uses, whether meters are in use and a listing of sites priority order based on water use reduction potential, and a listing of all un-metered sites in water consumption priority order, to enable beginning of meter installation in 2008.
- As part of future Operating and Capital Budget submissions, develop water conservation strategies and measures for implementation at specific sites, with their associated costs and water savings implications and in accordance with Toronto Water's policies for financial contributions to such efforts.
- A report be provided annually with the Budget processes on the aggregate annual consumption of water at all PF&R sites and facilities, tracking changes as water efficiency measures are implemented.

In order to successfully achieve the objectives of the City's Efficiency Plan and Toronto Water's Loss Reduction Strategies, the following work has been completed by Parks, Forestry and Recreation:

- Consultants' services have been tendered to undertake a detailed review and analysis of the technologies and practices currently used by the Program; and
- Inventory chart of parks and facilities has been developed and included items such as splashpads, wading pool, irrigation systems, community centres and fieldhouses. A complete list of staff contacts has been provided to the consultants.

The consultants' study will examine the best products currently available and will recommend various new technologies, standards and practices that are best suited to the Program's needs. The study may recommend a phased approach that could be implemented in the districts to replace older equipment with newer technologies or alternative practices and methods. The financial impacts of the equipment replacement strategy will be determined based on the recommendations outlined in the consultants' study. The study will also determine the reduced impact on the environment of the overall phase-in strategy, when fully implemented.

The study will be conducted over the next four months and the final draft will be circulated to the appropriate Directors and the General Manager of Parks, Forestry and Recreation for review and approval. Once approved, the report will be scheduled to be presented to the Public Works and Infrastructure Committee.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	4,178.6	322,077.8	82,789.8	239,288.0	0.0	0.0
In-year approvals and technical adjustments	(6.0)	(990.3)	(101.7)	(888.6)		
Corporate adjustments						
2008 Final Operating Budget	4,172.6	321,087.5	82,688.1	238,399.4	0.0	0.0
Prior year impacts	83.1	8,426.4	2,053.2	6,373.2	2,202.0	235.8
Zero base items						
Economic factors	0.0	1,273.9	0.0	1,273.9	1,500.0	1,545.0
Total Adjustments	83.1	9,700.3	2,053.2	7,647.1	3,702.0	1,780.8
Adjusted Base Budget	4,255.7	330,787.8	84,741.3	246,046.5	3,702.0	1,780.8
Base changes		3,112.4	22.4	3,090.0	125.0	0.0
Base revenue changes			1,126.3	(1,126.3)		
Recommended Service Level Adjustments:						
Base changes						
Service efficiencies		(144.0)		(144.0)		
Revenue adjustments			0.0	0.0	0.0	
Minor service change	(20.4)	(916.5)		(916.5)	(86.1)	
Major service change	(5.4)	(552.8)		(552.8)	(133.4)	
Total Recommended Base Adjustments	(25.8)	1,499.1	1,148.7	350.4	(94.5)	0.0
2009 Recommended Base Budget	4,229.9	332,286.9	85,890.0	246,396.9	3,607.5	1,780.8
2009 Program Operating Target	N/A	N/A	N/A	233,631.4	0.0	0.0
% Over (Under) Program Target				5.5%	1.5%	0.76%
% Over (Under) 2008 Appvd. Budget				3.4%	1.5%	0.75%

Appendix B

Summary of Service Level Adjustments

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: PARKS, FORESTRY AND RECREATION							
	2008	2008	2009	Change from		2010	2011
	Approved	Projected	Recommended	2008 Approved			
	Budget	Actuals	Budget	Budget	Budget		
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	225,477.1	225,477.1	233,823.2	8,346.2	4%	237,383.7	238,808.3
Materials and Supplies	33,281.8	33,281.8	34,443.6	1,161.8	3%	34,933.2	35,129.0
Equipment	3,060.1	3,060.1	3,124.9	64.8	2%	3,302.9	3,374.2
Services & Rents	34,456.5	34,456.5	38,974.2	4,517.7	13%	43,443.9	49,121.3
Contributions to Capital	1,163.1	1,163.1	1,163.1	0.0	0%	1,163.1	1,163.1
Contributions to Reserve/Res Funds	9,429.1	9,429.1	9,511.9	82.8	1%	9,511.9	9,511.9
Other Expenditures	2,830.2	2,830.2	3,919.8	1,089.6	38%	3,919.8	3,919.8
Interdivisional Charges	11,389.6	11,389.6	12,704.2	1,314.6	12%	12,926.8	13,015.8
TOTAL GROSS EXPENDITURES	321,087.5	321,087.5	337,664.9	16,577.4	5%	346,585.2	354,043.4
Interdivisional Recoveries	2,650.4	2,650.4	4,385.1	1,734.6	65%	4,385.1	4,385.1
Provincial Subsidies	155.2	155.2	155.2	0.0	0%	155.2	155.2
Federal Subsidies	3,616.0	3,616.0	3,616.0	0.0	0%	3,616.0	3,616.0
Other Subsidies							
User Fees & Donations	60,929.8	60,929.8	64,185.4	3,255.6	5%	64,254.8	64,254.8
Transfers from Capital Fund	3,363.5	3,363.5	3,363.5	0.0	0%	3,363.5	3,363.5
Contribution from Reserve Funds	1,927.5	1,927.5	4,844.1	2,916.6	151%	6,949.1	12,626.5
Contribution from Reserve							
Sundry Revenues	10,045.7	10,045.7	10,768.7	723.0	7%	10,768.7	10,768.7
TOTAL REVENUE	82,688.1	82,688.1	91,318.0	8,629.9	10%	93,492.4	99,169.8
TOTAL NET EXPENDITURES (EXCLUDING CAPITAL FINANCING)	238,399.4	238,399.4	246,346.9	7,947.5	3%	253,092.8	254,873.6
APPROVED POSITIONS	4,172.6	4,172.6	4,243.3	70.7	1.7%	4,253.6	4,254.5

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2008	Proposed Withdrawals (-) / Contributions (+)		
			2009	2010	2011
			\$	\$	\$
Vehicle Reserve Fund	XQ1201	2,450.2	5,698.0		
Racquet Sports (L'Amoreaux)	XR3009	777.2	45.0		
Insurance Reserve Fund	XR1010	27,774.8	3,639.2		
Public Realm - Street Furniture	XR1410	28,766.0	(700.0)		
Endowment for Prog Toronto Music Garden	XR1215	630.2	(25.0)		
Environment Protection Reserve Fund	XR1718		(4,074.0)		
Total Reserve / Reserve Fund Draws / Contributions			4,583.2	0.0	0.0

Note: The Environment Protection Reserve Fund has no 2008 balance, as it was created by Council with the 2009 Capital Budget.