

Analyst Briefing Notes (Revised)

Budget Committee - February 16, 2010

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Confidential Attachment 1.....under separate cover

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PART I: 2010 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.
 - The Program is able to accomplish this by providing clean, safe and well-maintained green space and park amenities for passive and permit use; sustaining and enhancing the urban forest through planting of new trees and protection and maintenance of existing resources; and delivering a variety of recreation programs and services that promote the social and physical development for people of all ages, with emphasis on children and youth.
- Parks, Forestry and Recreation has set the following service objectives for 2010 and beyond:
 - Development and integration of new Waterfront parks and sport fields;
 - Development of Parks Plan and Service Standards;
 - Sustaining and expanding the urban forest canopy from 17% to 34% in the next 40 years;
 - Development of a five-year Recreation Service Plan supported by the Facilities and Amenities strategy; and
 - Improving access to recreation by removing economic, cultural, disability and systems barriers.
- 2009 accomplishments for Parks, Forestry and Recreation include:
 - Enhancing the quality and number of parks in Toronto;
 - Implementation of the first year of Forestry Service Plan;
 - Expanding and enhancing the After-School Recreation Care programs;
 - Implementation of Work Order Management System and online and touch tone registration for Welcome Policy clients; and
 - Improvement of 7 out of 11 swimming beaches to Blue Flag status.
- Based on its Third Quarter Variance report, Parks, Forestry and Recreation projects that it will be \$1.500 million or 0.6% above the 2009 Approved Operating Budget due to unachieved revenues for leases and agreements. However, revised estimates indicate that the Program will experience zero net variance as a result of savings due to internal cost containment.
 - It is anticipated that in 2010 the Program will continue to experience budget pressures in overtime, increased work orders for facility maintenance and difficulty in meeting its revenue budget for concessions, leases and agreements.

Table 1: 2010 Recommended Budget

(In \$000s)	2009		2010 Recommended Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget	\$	%	2011	2012
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	340,178.1	339,478.0	356,600.9	3,109.3	359,710.2	19,532.1	5.7	13,776.5	5,837.5
REVENUE	91,316.8	89,116.7	94,564.6	5,309.5	99,874.1	8,557.3	9.4	1,341.5	(60.0)
NET EXP.	248,861.3	250,361.3	262,036.3	(2,200.2)	259,836.1	10,974.8	4.4	12,435.0	5,897.5
Approved Positions	4,230.4	4,176.4	4,241.1	17.0	4,258.1	27.7	0.7	(7.3)	(1.0)

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	247,465.6	259,836.1	12,370.5	235,022.6
PROGRAM REDUCTION (\$)	(20,555.8)	(8,166.2)	12,389.6	(12,443.1)
PROGRAM REDUCTION (%)	(8.3)	(3.3)	5.0	(5.0)

- The 2010 Recommended Operating Budget for Parks, Forestry and Recreation of \$359.710 million gross and \$259.836 million net is \$10.975 million or 4.4% above the 2009 Approved Operating Budget, and achieves Program reductions of \$8.166 million or 3.3% of the 2009 Approved Budget, which is \$12.390 million or 5% less than the reduction target for Parks, Forestry and Recreation in 2010.
- The 2010 Recommended Operating Budget for Parks, Forestry and Recreation is comprised of base funding \$356.601 million gross and \$262.036 million net and funding for new/enhanced priority actions of \$3.109 million gross and \$2.200 million net revenue. Approval of the 2010 Recommended Budget will result in the Program’s total staff complement increasing from 4,230.4 to 4,258.1 approved positions as a result of the addition of 54.8 base positions, elimination of 44.1 positions from recommended service change actions and the addition of 17 (3 permanent and 14 temporary) new positions for new and enhanced services (See page 15 for further details).
- The 2010 Recommended Operating Budget for Parks, Forestry and Recreation results in incremental future year net increases to the Program of \$12.435 million 2011 and \$5.898 million in 2012.
 - Projected increases for 2011 are primarily attributed to funding required for operating impacts of completed capital projects, COLA, progression pay and step, impacts of collective agreements, Violence in Workplace training, overtime and facility repairs and maintenance. These cost drivers will be partially offset by annualized revenue generated from the inflationary increase in permit and program fees, service changes and new fees recommended in 2010.
 - The 2012 Outlook anticipates incremental increases of \$5.898 million comprised of funding required for operating costs for completed capital projects, progression pay and step increases.

- Parks, Forestry and Recreation has presented 2011 reduction options during the 2010 budget process. These options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.
- The 2010 Recommended Base Budget provides funding for the following key cost drivers:
 - The annualized impacts of completed capital projects, Waterfront developments and 2009 changes of \$1.455 million and operating impacts of capital \$3.742 million;
 - A revenue budget reduction of \$0.500 million for the Pepsi Beverage contract;
 - \$6.784 million for progression pay and step, COLA and non-labour inflationary increases;
 - \$0.791 million for mandated items such as the minimum wage increase, collective agreement impacts and pension contributions for seasonal staff;
 - Additional funding of \$3.300 million for Welcome Policy subsidies to reflect actual subsidy uptake;
 - Additional funding of \$1.426 million for facility repairs and maintenance;
 - An increase of \$1.000 million required for overtime for Parks, Urban Forestry and Facility Operations;
 - \$0.143 million in additional funding to implement Ski Helmet policy and conduct Violence in Workplace training.
- The cost drivers noted above will be partially off-set by \$0.866 million in additional revenue as a result of the inflationary adjustment for all registered program and permit fees.
- The Program's 2010 Recommended Operating Budget includes service changes with savings of \$5.100 million for 2010 and additional savings of \$1.101 million in 2011. The service change actions include \$1.012 million in service efficiency savings, \$0.443 million in additional revenue, \$3.098 million in minor service level changes and \$0.548 million in major service level changes. Approval of the recommended service changes will result in a reduction of 44.1 approved positions reducing the Program's Base Budget total staff complement to 4,241.1.
- The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes New/Enhanced Service Priority Actions that contribute an additional net revenue of \$2.200 million. Approval of the recommended new and enhanced service priority actions will result in addition of 17 new positions, increasing the Program's total staff complement to 4,258.1.
- The following key Program issues have been identified during the 2010 Operating Budget process:
 - The Program's consistent challenge to achieve its revenue budget estimates for golf, leases and concessions.

- Funding required each year to address legislated requirements such as minimum wage increases and Ministry of Labour orders.
- The need to review future impacts of capital projects on operating budgets and consider strategies, including optional models for service delivery, to mitigate future operating budget impacts.
- The need for continued investment in Urban Forestry in order to fulfill the *Climate Change, Clean Air and Sustainable Energy Action Plan*'s commitment to double the tree canopy from 17% to 34% by the year 2050.
- The need to review Welcome Policy subsidy structure in order to assess the option of converting the subsidy from 'program-based' into 'dollar-based' and develop an equity strategy to ensure that recreation subsidies are distributed by Ward in proportion to low income residents in each Ward.
- The 2010 Recommended Operating Budget for Parks, Forestry and Recreation provides funding for the Program to complete, continue and initiate the following activities:
 - Continue to maintain 1,504 named parks, 8,045 hectares of green space and more than four million trees on streets, ravines, parks and natural areas;
 - Continue to work on designing, developing and completing the public spaces planned for the waterfront with a number of parks projects scheduled to be finished by the end of 2010;
 - Continue to sustain and expand the urban forest by maintaining approximately 60,000 trees, planting approximately 109,000 trees (using operating funding and contributions from capital sources), reviewing 6,900 applications for construction and development near trees and tree removal within timeline;
 - Continue to support a wide range of recreation and leisure programs, services and facilities for people of all ages and abilities, promoting active and healthy life styles;
 - Continue to offer more than 60,000 recreation programs and accommodate 8 million participant visits (excluding permit participant visits) to sites and facilities;
 - Accommodate an additional 20,000 course registrations for the Welcome Policy Program;
 - Increase the number of spaces available for the Invest in Families Program from 60 to up to 200; and
 - Continue to develop recreation and care services for school age children through the After School Recreation and Care (ARC) Program.

Recommendations

The City Manager and Chief Financial Officer recommend that:

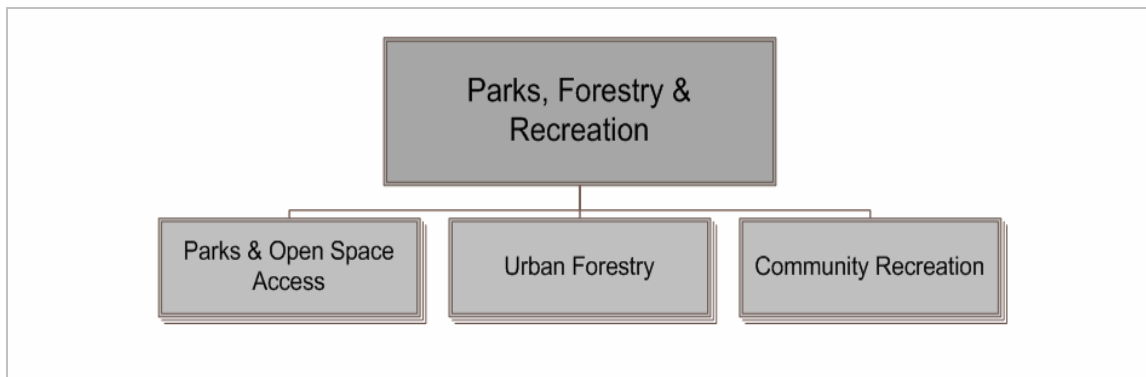
1. City Council approve the 2010 Recommended Operating Budget for Parks, Forestry and Recreation of \$359.710 million gross and \$259.836 million net, comprised of the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Parks	126,053.8	106,561.3
Community Recreation	162,901.7	107,640.9
Urban Forestry	41,112.4	28,537.1
Parks Development and Capital Projects	7,448.2	4,630.1
Policy and Strategic Planning	4,004.1	4,004.1
Management Services	18,190.0	8,462.6
Total Program Budget	359,710.2	259,836.1

2. the General Manager of Parks, Forestry and Recreation allocate available Welcome Policy funding by season, proportional to seasonal registration to a maximum of the budgeted Welcome Policy funding of \$8.000 million;
3. the General Manager of Parks, Forestry and Recreation report, prior to the 2011 budget process, on a strategy for converting the Welcome Policy program from ‘program-based’ into ‘dollar-based’ subsidy;
4. the General Manager of Parks, Forestry and Recreation report early in 2011 on the development of a strategy for the equitable distribution of all recreation subsidies to children and youth, adults and seniors proportionate to the number of low income residents in each Ward;
5. Parks, Forestry and Recreation review future impacts of capital projects on operating budgets and consider strategies, including optional models for service delivery, to mitigate future operating budget impacts; and,
6. the information contained in Confidential Attachment 1 remain confidential until the outcome of Council’s decision has been communicated to the Unions and affected staff.

PART II: 2010 SERVICE OVERVIEW AND PLAN**Mission Statement**

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.

Program Map

Parks, Forestry and Recreation provides three services to the public: Parks and Open Spaces Access, Urban Forestry and Community Recreation, highlighted below.

Parks and Open Spaces Access:

Parks and Open Spaces provides clean, safe and well-maintained green space and park amenities for passive and permit use, and promotes the ways in which horticulture can enhance urban aesthetics. This service is comprised of the following activities:

- Parks Turf Maintenance
 - Maintenance – cutting grass, watering, litter pick up, fertilizing
- Parks Winter Maintenance
 - Snow removal – plow, salt, sand, shovel within 24 hours of storm after 5 cm or more of snow
 - Ski hills – prepare hills for operation, prepare and service the ski lifts and associated equipment

- Other Parks Services
 - Litter pick up – once per week in parks and as required in parking lots
 - Integrated Plant Health Care (IPHC) – soil testing and assessment of new park developments and develop specifications for seed, organic fertilizer, topdressing, topsoil, mulch, wood, chips and sod
 - Hard surface infrastructure – city wide program using acetic acid to treat weeds on hard surface areas
 - Storm damage – clean up prioritized base on damage
 - Animal operations – daily maintenance and care of animals
 - Ravine and watercourse maintenance – complaint driven
 - Community gardening – establish 3-5 community gardens each year
 - Beach maintenance – grooming once or twice per week, daily litter pick up and debris removal as required
 - By-law enforcement – complaint driven
 - Parks permits and special events support
 - Washroom maintenance – daily
 - General Services – graffiti removal, parks’ bench and table repairs, BBQ area maintenance, trail maintenance, sign installation and safety audits
 - Golf – 189,600 rounds of golf per year
- Environmental Management
 - Risk assessed waterfront parks – regular visual inspection of risk management measures
- Horticulture Parks
 - Maintenance – watering, fertilizing and pruning
- Horticulture Greenhouses
 - Plant production and conservatories – four to five floral shows per year, grow 1.3 million of various crops
- Horticulture
 - Cornell/Campbell House Program of Excellence – currently under development
- Artificial Ice Rink
 - Ice Rinks – operate on-site ice resurfacing equipment for 49 outdoor ice rinks

Urban Forestry:

Urban Forestry sustains and enhances the urban forest through planting of new trees, protection and maintenance of existing trees and forests, and operational planning for the future. This service is comprised of the following activities:

- Forest & Natural Environment Management
 - Habitat restoration and enhancement – avg. 20 sites per year under project management
- Tree Care Maintenance (includes parks, street trees and natural areas)
 - Inspections, pruning, removal and general maintenance – reactive maintenance with up to 9 to 12 months response time from initiated service request and further development of proactive based area maintenance program for trees on city streets
- Tree Protection and Plan Review (includes park trees, street trees, ravines and private trees)
 - Construction and non construction related – up to 30 to 60 days for 75% of permit applications and up to 60-90 days for 25% of permit applications
- Tree Planting
 - Residential and business district street tree replacement – within one and a half years of removal
 - Planting of new trees and shrubs – approximately 109,000 (using operating funding and contributions from capital sources)

Community Recreation:

Community Recreation delivers 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. This service is comprised of the following activities:

- Active Living & Life Skills
 - Arts & General Interest – 1,898,400 total participant visits per year (1,281,800 registered and 616,600 drop in)
 - Fitness & Wellness – 843,400 total participant visits per year (316,300 registered and 527,100 drop in)
 - Aquatics – 3,827,100 total participant visits per year (1,406,000 registered, 2,421,100 drop in)
 - Camps – 478,100 participant visits per year
 - Skating – 610,600 total participant visits per year (206,200 registered, 404,400 drop in)

- Other Sports – 637,100 total participant visits per year (565,200 registered, 71,900 drop in)
- Adapted & Integrated – 4,900 total participant visits per year
- Community Engagement
 - Youth Outreach – 238,200 supported youth
 - Volunteer Management – 5,800 of volunteers
 - Access and Diversity
- Customer Service
 - Registration – 455,150 community recreation program registrations
 - Permitting – 321,550 permits for ice rinks, facilities, parks and sports fields
- Maintain and Operating Facilities
 - Recreation Centres, Ice Rinks and Pools

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

- **Parks Development and Capital Projects:** Ensure the delivery of the annual Council Approved Capital Budget, plan for the future through design and development, manage projects (including development applications, area studies, parkland acquisitions and jurisdictional transfers), and manage current Parks, Forestry and Recreation assets.
- **Policy and Strategic Planning:** Manage overarching service delivery roles and responsibilities through the management of information, establishment of service standards and development of policies. Assists the Program in developing service and operational plans to achieve service goals.
- **Management Services:** Provide financial planning and reporting, accounting, human resources and payroll, customer service, management of leases and agreements, partnership and sponsorship development, health and safety compliance and labour relations services within the Division.

Service Objectives

Parks, Forestry and Recreation has established service objectives to address a highly complex set of service challenges and opportunities that the Program faces. The following are Parks, Forestry and Recreation's service objectives for 2010 and beyond.

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

Parks, Forestry and Recreation and Waterfront Toronto will continue to work on designing, developing and completing the public spaces planned for the waterfront with a number of park projects scheduled to be finished by the end of 2010. The work plan will focus on developing sustainable funding models for maintenance of the new infrastructure.

➤ Develop Parks Plan and Service Standards.

The development of a City-wide, multi-year Parks Plan, in partnership with the public and stakeholders, based on a set of guiding principles, will provide a framework for decision-making in the acquisition, development, management and sustainable operation of the system of public parkland across the City. Key elements, among others, will be defining a park classification system and establishing a series of service standards and quality assurance measures.

• **Urban Forestry:**

➤ Sustain and expand the urban forest canopy from 17% to 34% in the next 40 years.

To achieve this target, the Program will be providing effective protection of trees, proactively maintaining trees and managing natural areas, and planting more trees. In 2009, Forestry began the first steps of implementing area tree maintenance along streets. The objective over the next several years is to perform tree maintenance on streets, in parks and in natural areas on a proactive basis to deliver full service to the urban forest on a cyclical basis rather than on a complaint driven basis.

• **Community Recreation:**

➤ Develop a Five-Year Recreation Service Plan.

The Recreation Service Plan, supported by the Facilities and Amenities strategy, will improve recreation programs and services so that they are locally responsive to changing needs and interests of diverse communities. The Program will follow the principles of equitable access to services, quality, inclusiveness and capacity building.

➤ 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. The Welcome Policy will be the main subsidy delivery method for equitable access to recreation programs across the city. The Program will facilitate subsidy growth of up to 20% per year by establishing inter-divisional intake partnerships and online/TTR registration.

PART III: 2009 EXPERIENCE

2009 Accomplishments

Parks, Forestry and Recreation's major accomplishments in 2009 are highlighted below:

- Enhanced the quality of parks and increased parkland in Toronto by completing the development of four Waterfront parks, over 50 new parks, the first Community Orchard and numerous enhancements.
- Implemented the first year of the Forestry Service Plan, which improved Forestry service levels. Planted over 100,000 trees and shrubs, effectively managed forest pests and diseases that threaten the urban forest, improved tree maintenance and increased the number of tree protection application files processed within prescribed timelines.
- Expanded and enhanced the After-School Recreation Care programs, which offered quality after-school care to over 680 children, 6-12 years in 27 locations in Toronto's Priority Neighbourhoods at a reduced fee schedule to increase accessibility.
- Implemented systems that improve scheduling, safety, and service efficiency such as the Work Order Management System in all locations and an Automated Vehicle Locate System in 170 vehicles.
- Continued implementation of Dogs off Leash Strategy with two additional locations: Coronation and Hideaway parks, bringing the number of locations to 35.
- Implemented online and Touch tone registration for Welcome Policy clients to improve access.
- Improved 7 of Toronto's 11 swimming beaches to Blue Flag status.

Table 2: 2009 Budget Variance Review (\$000s)

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	321,087.5	340,910.3	340,210.3	(700.0)	(0.2)
REVENUES	82,688.1	91,318.0	89,118.0	(2,200.0)	(2.4)
NET EXP.	238,399.4	249,592.3	251,092.3	1,500.0	0.6
Approved Positions	4,172.6	4,230.4	4,176.4	(54.0)	(1.3)

*Projected Actuals Based on the September 30, 2009 Variance Report

2009 Budget Variance Analysis

The Parks, Forestry and Recreation Third Quarter Variance report projected that the Program will be \$1.500 million or 0.6% above the 2009 Approved Operating Budget of \$249.592 million by year-end.

- This unfavourable net variance is attributed to underspending \$0.700 million for supplies and equipment offset by a revenue shortfall of \$2.200 million due to unachieved revenues for leases and agreements.

Current estimates for Parks, Forestry and Recreation indicate that the Program will experience no net variance as a result of savings due to internal cost restraints.

Impact of 2009 Operating Variance on the 2010 Recommended Budget

The following factors will impact the Program's 2010 Operating Budget:

- Although improvement has been noted in the last few years, the Program continues to have difficulty in meeting its revenue budget for concessions, leases and operating agreements. To address this issue, the 2010 Recommended Budget includes a revenue budget reduction of \$0.500 million for the Pepsi Beverage contract to reflect actual agreement.
- It is anticipated that work orders for facility maintenance will continue to rise in 2010 as a result of aging infrastructure. The 2010 Recommended Budget provides additional funding of \$0.214 million for facility repairs and maintenance.
- The Program will continue to experience budget pressures in overtime spending for Parks, Urban Forestry and Facility Operations.

PART IV: 2010 RECOMMENDED BASE BUDGET

Table 3: 2010 Recommended Base Budget (\$000s)

	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
					2011	2012
(In \$000s)	\$	\$	\$	%	\$	\$
GROSS EXP.	340,178.1	356,600.9	16,422.8	4.8	13,493.2	5,897.5
REVENUE	91,316.8	94,564.6	3,247.8	3.6	1.8	0.0
NET EXP.	248,861.3	262,036.3	13,175.0	5.3	13,491.4	5,897.5
Approved Positions	4,230.4	4,241.1	10.7	0.3	(9.2)	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	247,465.6	262,479.3	15,013.7	235,022.6
PROGRAM REDUCTION (\$)	(20,555.8)	(5,966.0)	14,589.8	(12,443.1)
PROGRAM REDUCTION (%)	(8.3)	(2.4)	5.9	(5.0)

Table 3a: Program Reduction Requirements (\$000s)

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	248,861.3	
Pressures Reported with 2010 Outlook	11,047.4	0.0
Pressures Not Reported with 2010/2011 Outlook	8,112.7	
5% Reduction Target	(12,443.1)	(12,443.1)
Additional Pressures not in 2010 Reported Outlook	(8,112.7)	TBD
Program Reduction Target	(20,555.8)	(12,443.1)
Net Budget Target	247,465.6	235,022.6

2010 Recommended Base Budget

The 2010 Recommended Base Budget of \$356.601 million gross and \$262.036 million net represents a \$13.175 million or 5.3% increase over Parks, Forestry and Recreation's 2009 Approved Operating Budget of \$248.861 million. The 2010 Recommended Base Budget includes \$19.141 million in base budget increases, which have been partially offset by \$5.966 million in budget reductions arising from recommended Service Changes, resulting in \$13.175 million increase over 2009 Approved Recommended budget.

The 2010 Recommended Base Budget of \$262.036 million net represents \$14.590 million or 5.9% shortfall in reductions from the Program's 2010 Operating Budget reduction target of \$20.556 million or 8.3% of the 2009 Approved Operating Budget.

- The 2010 Recommended Operating Base Budget accommodates base budget key cost drivers in the amount of \$19.141 million which have been partially offset by an inflationary adjustment to all registered program and permit fees. The 2010 Recommended Base Budget also reflects savings of \$5.100 million arising from recommended service changes, summarized below.
- In addition to recommended base and service change actions, the 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes New/Enhanced Service Priority Actions that result in additional net revenue of \$2.200 million. As a result, Program reductions total \$8.166 million net or 3.3% of the 2009 Approved Operating Budget (Please see Part V: 2010 Recommended Service Changes). Any further reductions to meet the Program's target would result in significant service impacts and therefore are not recommended at this time.

Approval of the 2010 Recommended Base Budget will result in the Program's total staff complement increasing from 4,230.4 to 4,241.1 approved positions due to adding 54.8 positions for prior year annualizations (6.4), operating impacts of capital (46.4), Violence in Workplace training (0.9) and maintenance of Direct Energy Centre at the Exhibition Place (1.1) and eliminating 44.1 positions as a result of 2010 Recommended Service Changes.

2010 Base Budget Key Cost Drivers

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- The annualized impacts of 2009 changes of \$1.455 million and operating impacts of capital of \$3.742 million;
- A revenue budget reduction of \$0.500 million for the Pepsi Beverage contract to reflect actual revenues;
- \$6.784 million for progression pay and step, COLA and non-labour inflationary increases;
- \$0.791 million for mandated expenditures such as the minimum wage increase, collective agreement impacts and pension contributions for seasonal staff;
- Additional funding of \$3.300 million for Welcome Policy subsidies to reflect the increase in subsidy uptake;
- Additional funding of \$1.426 million for facility repairs and maintenance as a result of aging infrastructure;
- Additional \$1.000 million required for overtime for Parks, Urban Forestry and Facility Operations;
- \$0.143 million in additional funding to conduct Violence in Workplace training, as per Ministry of Labour order, and implement Ski Helmet policy.

The cost drivers noted above will be partially offset by \$0.866 million in additional revenue as a result of inflationary adjustment for all registered program and permit fees.

2010 Service Changes

Parks, Forestry and Recreation's 2010 Recommended Base Budget includes service change savings of \$5.966 million that will result in additional savings of \$1.520 million in 2011. The recommended 2010 service changes are comprised of \$0.866 million in base change savings noted above and \$5.100 million in savings arising from service review actions.

The recommended service changes are summarized below:

Service Efficiencies

- Transfer of Parks garbage bin pick-up in the North and East Districts to Solid Waste Management Division effective April 1, 2010 with savings of \$1.012 million and a reduction of 12 vacant positions.

Revenue Changes

- Market rate adjustment to camps and aquatic programs fees and harmonization of stadium fees that will realize additional revenue of \$0.443 million in 2010.

Minor Service Level Changes

- Reduction in expenditures for Waste Diversion Program with savings of \$0.707 million and a reduction of 4.2 filled positions.
- Reduction of 15.7 Parks, Forestry and Recreation approved positions for a total saving of \$0.179 million. Please refer to the Confidential Attachment 1.
- Deferral of the overtime budget increase by one year, with savings of \$1.000 million.
- Deferral of a portion of increased funding for facilities maintenance in the amount of \$1.212 million.

Major Service Level Changes

- Reduction of 9.5 Parks, Forestry and Recreation approved positions for a total saving of \$0.348 million. Please refer to the Confidential Attachment 1.
- Reduction of 2.7 Parks, Forestry and Recreation approved positions for a total saving of \$0.200 million. Please refer to the Confidential Attachment 1.

2011 and 2012 Outlook: Net Incremental Impact

Approval of the 2010 Recommended Base Budget for Parks, Forestry and Recreation will result in a 2011 and 2012 incremental increase of \$13.491 million and \$5.898 million respectively to maintain the 2010 level of service and staff complement.

- The 2011 Outlook for Parks, Forestry and Recreation anticipates incremental increases of \$13.491 million which are primarily attributed to the following:
 - Funding in the amount of \$8.630 million required for additional operating costs arising from completed capital projects;
 - Additional funding of \$6.290 million for progression pay, step increases and cost-of-living-adjustments;
 - Impacts of collective agreements and funding required to conduct Violence in Workplace training as per Ministry of Labour order for a total of \$0.092 million; and
 - Additional funding of \$2.212 million for overtime and facility repairs and maintenance.
- These cost drivers will be partially offset by the following items:
 - Annualized revenue generated from a recommended inflationary increase in permit and program fees introduced in 2010 for savings of \$0.420 million; and
 - Annualized savings of \$3.313 million from recommended service changes.
- Parks, Forestry and Recreation has presented other 2011 reduction options during the 2010 budget process. These options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.
- The 2012 Outlook anticipates incremental increases of \$5.898 million comprised of funding required for operating impacts of capital, progression pay and step increases.

PART V: 2010 RECOMMENDED SERVICE CHANGES

Table 4: 2010 Recommended Service Change Summary
(In \$000s)

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009 Budget	2011	
	#	\$	\$	#	\$	# Pos
Base Change Summary			(865.6)	-0.3%	(419.8)	
Service Efficiencies:						
Transfer of Parks Garbage Pick-up to Solid Waste	(12.0)	(1,011.9)	(1,011.9)	-0.4%	(2,000.0)	(15.0)
Revenue Changes:						
Market Rate Adjustments			(443.0)	-0.2%	(620.9)	
Minor Service Level Changes:						
Reduce Expenditure for Waste Diversion Program	(4.2)	(707.3)	(707.3)	-0.3%		
Reduce 15.7 PF&R Approved Positions	(15.7)	(658.0)	(178.7)	-0.1%	(535.9)	(26.1)
Defer Overtime Budget by One Year		(1,000.0)	(1,000.0)	-0.4%	1,000.0	
Defer Funding for Facilities Maintenance		(1,212.0)	(1,212.0)	-0.5%	1,212.0	
Major Service Level Changes:						
Reduce 9.5 PF&R Approved Positions	(9.5)	(347.5)	(347.5)	-0.1%	(155.7)	
Reduce 2.7 PF&R Approved Positions	(2.7)	(200.0)	(200.0)	-0.1%		
Sub-Total Service Changes	(44.1)	(5,136.7)	(5,100.4)	-2.0%	(1,100.5)	(41.1)
New/Enhanced Service Priority Actions *			(2,200.2)		(1,256.4)	
Total Changes	(44.1)	(5,136.7)	(8,166.2)	-3.3%	(2,776.7)	(41.1)

* New/Enhanced Service Priority Actions that contribute to achieving the Program Reduction Target

2010 Recommended Service Changes

The budgetary impact of implementing the following 9 service changes is included in the 2010 Recommended Base Budget, resulting in savings estimated at \$8.166 million net in 2010 and additional savings of \$2.777 million net in 2011. Approval of the recommended service changes will result in a reduction of 44.1 approved positions reducing Parks, Forestry and Recreation's complement to 4,241.1.

Base Changes

Total net savings of \$8.166 million include \$0.866 million in additional base revenues as a result of an inflationary increase for permit and recreation program fees which will have no impact on the level of service provided by the Program in 2010.

Service Changes

The following 8 recommended service changes are included in Parks, Forestry and Recreation 2010 Recommended Base Budget, resulting in 2010 savings of \$5.100 million net are discussed below.

Service Efficiencies***Transfer of Parks Garbage Pick-Up to Solid Waste Management***

The Parks, Forestry and Recreation's 2010 Recommended Operating Budget includes \$1.012 million in 2010 savings as a result of transferring parks garbage and recycling collection and disposal function for North and East districts to the Solid Waste Management Division effective April 1, 2010, and transferring the remaining districts in 2011. Solid Waste Management Division will take on the responsibility of collecting garbage and recycling from approximately 14,000 bins in 1,500 parks across the city. This service change will result in incremental savings of \$2.000 million in 2011 and decrease the Program's staff complement by 12 permanent positions which are currently vacant in 2010 and 15 vacant positions in 2011.

Revenue Changes***Market Rate Adjustments to Camps, Aquatics and Stadium Fees***

To bring Toronto's rates in line with other municipalities, the 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes a market rate adjustment to camps and aquatic programs fees and harmonization of stadium fees that will realize additional revenue of \$0.443 million in 2010 and \$0.621 million in 2011 and will not impact the level of camp and aquatic programs run by the Division. The increase will be implemented in May 2010 and will be applied to instructional aquatic programs fees and general and enriched camp fees. For camp programs, average fee per session (one week) for children and youth will increase from \$81 to \$89 and will remain below the GTA average of \$151. For aquatic programs, average fee per session (9 weeks) for levels 1 to 4 will increase from \$49 to \$54 which is still below the GTA average of \$74. Stadium fees will be harmonized, with some stadiums experiencing an increase in fees while two stadiums experiencing a slight decrease in fees.

Minor Service Level Changes***Reduction in Expenditures for Waste Diversion Program***

The Parks, Forestry and Recreation's 2010 Recommended Operating Budget includes a reduction to the expenditures for Waste Diversion Program that will result in savings of \$0.707 million. The reduction in expenditures will not impact the existing recycling bins as they will remain in place, however additional bins will not be purchased for the Division. This will also result in a reduction in the Division's waste diversion education programs, as well as litter audits. This service change will decrease the Program's staff complement by 4.2 temporary filled positions used for audits, waste diversion program education and development.

Reduction of 15.7 Parks, Forestry and Recreation Approved Positions

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes savings of \$0.179 million from the reduction of 15.7 (5 permanent, 10.7 temporary) positions. Please refer to the Confidential Attachment 1.

Deferral of Overtime Budget Increase by One Year

The Parks, Forestry and Recreation's 2010 Recommended Operating Budget includes a deferral of the budget increase for overtime by one year for one-time savings of \$1.000 million. Currently, the Program experiences overtime close to 3.5% of total salaries with funding available to cover overtime equivalent to 1.7% of total salaries. The Program has been absorbing the remaining required funding and will continue to do so in 2010 while determining new approaches to shifts and work management in order to reduce overtime.

Deferral of Funding for Facilities Maintenance

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation incorporates one-time savings of \$1.212 million from the deferral of funding for facilities maintenance to 2011. The increase for maintenance expenditures recommended by the Facilities Management Division and budgeted by Parks, Forestry and Recreation is \$1.426 million for 2010. However, Parks, Forestry and Recreation will only budget for additional \$0.214 million with the remaining funding deferred to 2011. This recommended service change will not impact the Program's staffing complement. It should be noted that despite the deferral, funding for facilities repairs and maintenance will increase from \$3.437 million in 2009 to \$3.651 million in 2010.

Major Service Level Changes*Reduction of 9.5 Parks Forestry and Recreation Approved Positions*

The Parks, Forestry and Recreation's 2010 Recommended Operating Budget includes net savings of \$0.348 million as a result of reducing 9.5 permanent positions. Please refer to the Confidential Attachment 1.

Reduction of 2.7 Parks, Forestry and Recreation Approved Positions

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes net savings of \$0.200 million as a result of reducing 2.7 (1 permanent, 1.7 temporary) positions. Please refer to the Confidential Attachment 1.

New/Enhanced Service Priority Actions

In addition to recommended Base and Service Change Actions, it is recommended that 9 New/Enhanced Service Priority Actions be approved for 2010. Approval of these recommended new service changes totaling \$2.200 million will result in the generation of new revenue for Parks, Forestry and Recreation and contribute to achieving the Program's reduction target. (Please see Part VI: Recommended New Service Priority Actions)

In total, the Program has achieved reductions of \$8.166 million net or 3.3% of the 2009 Approved Operating Budget for Parks, Forestry and Recreation compared to the Program Reduction Target of \$20.556 million or 8.3%.

PART VI: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

Table 5: 2010 New / Enhanced Service Priority Actions: Summary

(In \$000s)

Description	2010 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Positions	2011		2012	
	\$	\$	#	\$	# Pos	\$	# Pos
Enhanced Services:							
(a) Enhanced Services - Council Approved							
Bayview Planting	250.0	0.0	0.4				
(b) Enhanced Services - Program Initiated							
Investing in Families Program	580.0	0.0	10.0				
Can-Bike Program Expansion	83.3	0.0	1.9				
Expansion of Learn to Swim Program	31.0	0.0	0.7				
Tree Maintenance and Planting	2,105.0	0.0	3.0				
FPARS Systems Integrator	60.0	0.0	1.0				(1.0)
Sub-Total Enhanced Services	3,109.3	0.0	17.0	0.0	0.0	0.0	(1.0)
New Services:							
(a) New Services - Council Approved							
(b) New Services - Program Initiated							
User Fees for Recreation Programs		(460.2)		(676.4)			
New Account Set-Up Fee		(1,575.0)		(525.0)			
TTR and Internet Administrative Fee		(165.0)		(55.0)			
Sub-Total New Services	0.0	(2,200.2)	0.0	(1,256.4)	0.0	0.0	0.0
Total Enhanced/New Services	3,109.3	(2,200.2)	17.0	(1,256.4)	0.0	0.0	(1.0)

2009 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priority Actions

Council Approved

Bayview Planting

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes \$0.250 million gross and zero net for tree planting in the Bayview area. On July 19-26, 2005 the Council approved that \$0.700 million in proceeds from the sale of 1900 Bayview be used “primarily for the purpose of planting trees in this area”. Total funding for this initiative is earmarked in the Land Acquisition Reserve Fund (XR1012) of which \$0.250 million will be spent in 2010, with the remaining funding spent in 2011 and 2012. The 2010 portion of funding will result in planting of

605 new trees in Ward 22, 25 and 26 to replace those trees that were lost as a result of city land sale and development at 1900 Bayview Avenue.

Program Initiated***Investing in Families Program***

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes \$0.580 million gross and \$0 net for the Investing in Families Program which is an initiative designed to improve the economic, health and social status of single-parent families receiving Ontario Works benefits in priority neighbourhoods and high needs communities across Toronto. The Program is a partnership between the Toronto Employment and Social Services, Toronto Public Health, Children's Services and Parks, Forestry and Recreation and is funded by the National Child Benefits Supplement Reserve Fund. Ten new temporary recreation workers will be required to support this initiative effective January 1, 2010.

Can-Bike Program Expansion

The Parks, Forestry and Recreation's 2010 Recommended Operating Budget includes \$0.083 million gross and \$0 net for the expansion of the Can-Bike Program. This new funding, recovered from user fees and donations, will allow Recreation staff to increase the number of educational cycling programs it offers in order to ensure safe cycling practices for bike commuters and recreational cyclists. The expansion will result in:

- 66 additional one-day 'Commuter Cycling Skills Courses';
- 33 additional Kids Can-Bike courses to accommodate existing waitlists;
- creation of 4 additional pay-for-service camps;
- 15 additional Can-Bike classroom-only workshops;
- training for existing recreational workers to teach Can-Bike course; and
- completion of the externally sponsored, fully subsidized Kids Can-Bike camp offering in 2010.

All required costs will be recovered through user fees and donations. The expansion of Can-Bike initiative will require additional 1.9 temporary positions effective January 1, 2010.

Expansion of Learn to Swim Program

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation provides \$0.031 million gross and \$0 net to expand Learn to Swim Program. This expansion will result in additional 700 spaces and 720 hours of programming for Learn to Swim Program at outdoor pool venues in the Toronto and East York District. All required costs will be recovered through user fees and donations and additional programming will be accessible to Welcome Policy participants. The expansion of the Learn to Swim program will require additional 0.7 temporary positions effective January 1, 2010.

Tree Maintenance and Planting

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation provides \$2.105 million gross and \$0 net for the improvement of tree maintenance and increased planting. Reserve Fund resources have been allocated to offset the cost of this initiative which will allow Urban Forestry to continue to build a program by which city street trees will be maintained on a systematic area pruning basis, and plant up to 3,000 additional trees. Three new permanent staff positions will be required to support this initiative effective May 1, 2010.

Financial Planning, Analysis and Reporting System (FPARS) Systems Integrator

The Financial Planning, Analysis and Reporting System (FPARS) project will deliver a new multi-year, service-based budgeting system that will use performance measures as part of the budget process and will deliver a strategy for the City of Toronto for Enterprise Performance Management. A significant project team is required to implement the project. The project has identified a need for one temporary Systems Integrator from Parks, Forestry and Recreation Division for 12 months to support implementation. This position will be funded by the FPARS capital project and the 2010 impact is \$0.060 million gross and \$0 net, with no 2011 incremental impact. The position will not be required in 2012.

New Service Priority Actions*Program Initiated**New User Fees for Recreation Programs*

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation introduces the following new user fees which will realize new revenue of \$0.460 million in 2010 and incremental revenue of \$0.676 million in 2011:

- Prime Time Gymnasium Permit Fee:

Parks, Forestry and Recreation will implement a similar practice to indoor ice permits whereby gymnasiums will have a prime and non prime permit rate. Prime time hours will be from 6 pm to 10 pm from Monday to Sunday. The new prime time permit fee (excluding ice and pool permits) will increase from \$46 to \$58 for \$0.022 million of incremental revenue, however will remain below the GTA average of \$78.

- Premier Facility Program Surcharge:

Parks, Forestry and Recreation will identify four locations per district as premier facilities. These facilities have a gym, indoor or outdoor pool and/or rink. At the selected facilities, an additional surcharge of \$2 per registration will be applied to all registered programs resulting in the receipt of \$0.056 million of incremental revenue. The premier facility program surcharge will not apply to Priority Centres or facilities in Priority Neighbourhoods.

- Indoor Leisure Swim Fee:

Parks, Forestry and Recreation currently charges for Adult Lane Swim and will extend the charge to indoor leisure swim. The fee of \$1 for children, youth and seniors, \$2 for adults and

\$5 for a family will apply to all participants in general drop in leisure swim and will result in new revenue of \$0.352 million. Toronto's indoor leisure swim fee for all categories will remain below the GTA average.

- **Subscriber User Fee (Entry Level Program Fee):**

Parks, Forestry and Recreation will introduce a new \$15 subscriber user fee which is half of the current Introductory Instructional fee of \$30. Subscriber fee category is reserved for basic entry level programs for which registration is required and activities are scheduled over a specific period of time (generally 9 to 12 weeks). These programs provide no instruction but are supervised by a staff member who facilitates group membership and organizes activities, games and tournaments. Program examples include After School Homework clubs, sports leagues, registered youth clubs, chess clubs and supervised play programs. The introduction of a Subscriber fee will result in incremental revenue of \$0.030 million. Welcome Policy clients will be able to apply the subscriber programs towards their subsidy entitlement.

One-Time Account Set Up Fee

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes the introduction of a one-time account set up fee, effective May 1, 2010. The Program will realize additional revenue of \$1.575 million and \$0.525 million in 2010 and 2011 respectively. The new account set up fee will apply only to families that open an account for Parks, Forestry and Recreation's programs or permits for the first time after May 1, 2010 but will be waived for Welcome Policy applicants. The introduction of this new fee will cover the administrative costs of new account set-up and will not impact the Program's service level or staffing complement.

Touch Tone Registration (TTR) and Internet Administrative Fee

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes the introduction of a new TTR and Internet administrative fee of \$1 per transaction which will generate additional revenue of \$0.165 million in 2010 and \$0.055 million in 2011. The introduction of this new administrative fee will aid the Program in recovering a portion of the costs associated with the continuing operating requirements for TTR and Internet registrations while still providing an option to customers to pay by cash or cheque. This fee is expected to be implemented in time for Fall registrations.

PART VII: ISSUES FOR DISCUSSION**2010 Budget Issues*****2010 Recommended Operating Budget vs. Program Target***

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation of \$359.710 million gross and \$259.836 million net is \$10.975 million or 4.4% above the 2009 Approved Operating Budget and \$12.371 million or 5% above the Program's Net Budget Target of \$247.466 million. Reductions of \$8.166 million or 3.3% of the 2009 Approved Budget result from recommended service change actions and introduction of new fees. Any further reductions will result in significant service impacts and therefore are not recommended at this time.

Revenue Variances

Since amalgamation, Parks, Forestry and Recreation has been consistently challenged to achieve its revenue budget estimates. In the last few years, the revenue shortfall gap has been closing and is estimated to be at \$2.200 million in 2009, due to underachieved revenues for golf and leases and concessions. It is anticipated that revenues in these areas will continue to be underachieved in 2010. To address this issue, the 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes a revenue budget reduction of \$0.500 million for the Pepsi Beverage contract to reflect the actual agreement.

Legislated Expenses

The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes funding of \$0.459 million for the following legislated expenses:

Minimum Wage Increase (\$0.417 million)

The Ontario Government began a three year program to increase the minimum wage, starting March 31, 2008 as per an amendment to Regulation 285/01 of the Ontario Employee Standards Act. The minimum wage increased to \$9.50 per hour in 2009 and will increase to \$10.25 per hour in 2010.

Violence in Workplace Training (\$0.042 million)

As per the Ministry of Labour (MOL) order, all full and part time staff in Parks, Forestry and Recreation's facilities will be required to undertake Violence in Workplace training. This training will give an overview of the violence risk controls and provide staff with better understanding of their role when there is violence in the workplace.

Operating Impacts of Capital

Aside from the expected operating pressures, Parks, Forestry and Recreation's 10-Year Capital Plan will also place heavy demands on the Program's future operating budgets. In 2010 alone, the capital impact on the operating budget is \$3.742 million. This figure is expected to increase substantially in the coming years as a number of new parks arising from the 10-Year Capital Plan, Section 37 agreements and Waterfront Toronto and facilities are developed by Parks, Forestry and Recreation.

For example, seven new/expanded community centres are planned for completion in the next 10 years (Railway Lands, Edithvale, York, North-East Scarborough, Western North York, Wabash and O'Connor). A high level estimate for future year operating impacts for these facilities, based on 10% of capital costs, is \$10 million. While details of the Program's operating impacts will be identified in the future operating budgets, it is expected that the costs for staffing, programming and maintenance of these and other assets will result in significant pressure on the Program's upcoming operating budgets. Therefore, it is recommended that the Program review the future impacts of capital projects on operating budgets and consider strategies, including optional models for service delivery, to mitigate future operating budget impacts.

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 through maintenance of city street trees on a systematic block pruning basis;
- **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.

In 2009, a multi-year implementation and financing plan was designed to sustain and expand the urban forest and, in particular, achieve the objective of increasing the tree canopy from 17% to 34% by 2050. The plan includes new funding for tree planting as well as proactive protection and maintenance strategies to allow trees to achieve full life expectancy.

In 2008, the Urban Forestry's funding level was \$26.347 million net. The 2009 Approved Operating Budget for Parks, Forestry and Recreation included a \$4.539 million gross and \$1.570 million net increase in base and new funding for maintaining and sustaining the urban forest. There also was a transfer from the Capital to the Operating Budget to reflect \$1.105 million in tree planting costs that were no longer funded through the Capital Budget and up to \$0.500 million in donations for the Tree Advocacy Program. In addition to funding provided for Parks, Forestry and Recreation, other ongoing sources of funding contributed 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 Services. Furthermore, \$0.075 million for tree planting was included in the 2009 Approved Operating Budget for Exhibition Place. In total, \$8.939 million was allocated from various sources towards maintaining and sustaining the urban forest in 2009.

The 2010 funding will continue to concentrate on improving tree protection and proactive maintenance of existing street trees while increasing the level of tree planting. The 2010 Recommended Operating Budget for Parks, Forestry and Recreation includes a \$2.426 million gross and \$0.321 million net increase in base and new funding for tree maintenance, protection and planting which increases total funding for Urban Forestry to \$41.112 million gross and \$28.537 million net. In addition to Parks, Forestry and Recreation's funding, Toronto Water and Transportation Services will continue to provide \$2.000 million and \$1.000 million respectively for tree planting. Exhibition Place will also continue its contribution of \$0.075 million bringing the total new and ongoing funding allocated to maintaining and sustaining the urban forest to \$5.501 million in 2010.

The increased funding in 2010 will allow Urban Forestry to maintain additional 8,701 trees and plant additional 3,000 trees. It will also result in additional 1,395 tree protection applications to be reviewed and inspected within timelines and to ensure they meet legislated tree protection requirements. In total, Urban Forestry will maintain approximately 60,000 trees, plant approximately 109,000 trees and shrubs (using operating funding and contributions from capital sources) and review and inspect 6,900 tree protection applications within timelines and ensure they meet legislated tree protection requirements.

2011 and Future Year Issues

2011 Reduction Target

Parks, Forestry and Recreation has presented a number of 2011 reduction options during the 2010 Budget process to achieve the Program's 2011 reduction target. These options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.

Welcome Policy

Welcome Policy is a fee subsidy program that provides access to free recreation programs at all City-owned and operated facilities for individuals and families living below the Low Income Cut-Off (LICO). Torontonians who apply and qualify for the Welcome Policy receive a 100 percent subsidy for recreation program registration fees. The Welcome Policy subsidy is granted through program entitlements for each season. Children and youth are entitled to three programs per season (one aquatic, one two-week camp and one non-aquatic general program) for a total of 12 programs per year. Adults and seniors are entitled to one program of their choice per season.

The Welcome Policy has no limit on the number of low income residents who can receive the subsidy. The number of families who have applied and qualified for Welcome Policy has grown significantly over the past several years which has increased the funding required for the program. The Council-approved 2009 budget for Welcome Policy program was \$4.700 million.

In June 2009, the Parks, Forestry and Recreation projected a budget over-expenditure of 30% or \$1.940 million for the Welcome Policy by year end. However, due to the cancellation of programs arising from the labour disruption, the over-expenditure for 2009 has been avoided. Given the historical growth and ease of electronic registration, the Program predicts that, based on current policies, Welcome Policy subsidy uptake will approach \$8.000 million in 2010 which is the amount reflected in the 2010 Recommended Operating Budget for Parks, Forestry and Recreation.

It is recommended that the 2010 Welcome Policy funding be limited to \$8 million and be allocated by season to ensure that subsidies are available throughout the year. Funds not utilized in an earlier season will be allocated to the remaining season and the budget allotment for each season will be determined by the review of seasonal Welcome Policy use trends. Registration will continue to be on a first-come, first-served basis, based on the individual seasonal program entitlements currently in place. However, if the Welcome Policy funding allotment for a particular season is fully utilized before the demand is met, qualified clients who have not registered in programs for that season and try to do so will not be able to register for programs until the next seasonal registration.

The current policy provides entitlements for specific program types within specific seasons. There is no dollar limit to the value of the programs registered under the Welcome Policy, however, children and youth must use their subsidy within specific seasons and for specific types of programs. Welcome Policy users are unable to substitute one program for another except in summer where there is flexibility to replace one of the other types of programs that are offered for an additional camp program. Adults and seniors must also choose their programs by a specific season. Any entitlement that is not used within the season is lost. As a result, Welcome Policy clients have less choice in recreation programs over the course of a year.

In addition to Welcome Policy subsidy, Parks, Forestry and Recreation offers two other types of recreation subsidies to Toronto residents: location-based Priority Centres and universal drop in programs. Priority Centres offer free recreation programming at 21 locations across the City. Eight of Toronto's 21 Priority Centres are situated in one of the 13 Priority Neighbourhoods while the remaining 12 Priority Centres are in mixed neighbourhoods. The universal drop in programs are free of charge programs delivered in community centres across the City. The City of Toronto is the only GTA municipality that runs universal free drop in programs that are open to all individuals regardless of income status or residency.

Given a number of different and overlapping subsidies, a comprehensive review of existing recreation subsidy program policies is required to ensure equitable distribution across the City which would ensure fairness to residents seeking access to recreation. Therefore, it is recommended that Parks, Forestry and Recreation report early in 2011 on an equity strategy to ensure that recreation subsidies are distributed by Ward in proportion to low income residents in each Ward. It is also recommended that Parks, Forestry and Recreation review the Welcome Policy subsidy structure and report prior to the 2011 budget process on an option of converting the Welcome Policy program from 'program-based' into 'dollar-based' subsidy. A dollar-based subsidy would provide Welcome Policy clients a greater choice in recreation programs over the course of a year and an opportunity to increase their participation by using the balance in their subsidy account to make partial payments to allow them to enroll in additional programs.

Appendix A

2010 Recommended Base Budget Changes vs. 2009 Approved Budget

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
2009 Council Approved Operating Budget	4,243.4	340,910.4	91,318.1	249,592.3	0.0	0.0
Technical Adjustments		(16.4)		(16.4)		
In-Year Budget Adjustments	(13.0)	(715.9)	(1.3)	(714.6)		
2009 Approved Operating Budget	4,230.4	340,178.1	91,316.8	248,861.3	0.0	0.0
Prior Year Impacts:						
Annualizations from Prior Year	6.4	3,821.4	2,366.2	1,455.2		
Reversals from Prior Year			(500.0)	500.0		
Operating Impacts of Capital	46.4	4,166.7	424.4	3,742.3	8,629.7	4,352.5
Zero Base Items						
Economic Increases:						
Salary		5,651.5		5,651.5	6,290.0	1545.0
Non Salary		1,557.8	8.3	1,549.5		
Adjusted Base Budget	4,283.2	355,375.5	93,615.7	261,759.8	14,919.7	5,897.5
Base Expenditure Changes	2.0	6,362.1	119.6	6,242.5	92.0	
Base Revenue Changes			865.6	(865.6)	(419.8)	
2010 Base Budget Prior to Service Changes	4,285.2	361,737.6	94,600.9	267,136.7	14,591.9	5,897.5
Recommended Service Changes:						
Service Efficiencies	(12.0)	(1,011.9)		(1,011.9)	(2,000.0)	
Revenue Changes			443.0	(443.0)	(620.9)	
Minor Service Level Changes	(19.9)	(3,577.3)	(479.3)	(3,098.0)	1,676.1	
Major Service Level Changes	(12.2)	(547.5)		(547.5)	(155.7)	
Total Recommended Base Changes	(44.1)	(5,136.7)	(36.3)	(5,100.4)	(1,100.5)	0.0
2010 Recommended Base Budget	4,241.1	356,600.9	94,564.6	262,036.3	13,491.4	5,897.5

Appendix B
Summary of Service Changes

Appendix C

**Summary of 2010 Recommended
New/Enhanced Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

CLUSTER: A							
PROGRAM: PARKS, FORESTRY AND RECREATION							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	236,648.4	236,648.4	246,149.0	9,500.6	4.0%	255,792.6	259,878.8
Materials and Supplies	33,381.3	33,381.3	34,197.6	816.3	2.4%	35,575.3	36,159.0
Equipment	2,847.7	2,847.7	2,835.5	(12.2)	(0.4%)	3,524.3	3,816.2
Services & Rents	39,359.6	39,359.6	42,345.5	2,985.9	7.6%	44,412.0	45,287.6
Contributions to Capital	1,855.1	1,855.1		(1,855.1)	(100.0%)		
Contributions to Reserve/Res Funds	9,520.1	9,520.1	9,543.2	23.1	0.2%	9,543.2	9,543.2
Other Expenditures	3,670.7	3,670.7	8,908.4	5,237.7	142.7%	8,908.4	8,908.4
Interdivisional Charges	12,897.6	12,897.6	15,731.0	2,833.4	22.0%	15,731.0	15,731.0
TOTAL GROSS EXPENDITURES	340,180.5	340,180.5	359,710.2	19,529.7	5.7%	373,486.7	379,324.2
Interdivisional Recoveries	4,385.1	4,385.1	4,393.3	8.2	0.2%	4,460.4	4,460.4
Provincial Subsidies	155.2	155.2	155.2			155.2	155.2
Federal Subsidies	3,616.0	3,616.0	3,616.0			3,616.0	3,616.0
Other Subsidies							
User Fees & Donations	64,277.9	64,277.9	69,461.8	5,183.9	8.1%	70,467.9	70,467.9
Transfers from Capital Fund	3,363.5	3,363.5	3,423.5	60.0	1.8%	3,423.5	3,363.5
Contribution from Reserve Funds	4,844.1	4,844.1	7,201.8	2,357.7	48.7%	7,268.9	7,268.9
Contribution from Reserve							
Sundry Revenues	10,675.0	10,675.0	11,622.5	947.5	8.9%	11,823.7	11,823.7
TOTAL REVENUE	91,316.8	91,316.8	99,874.1	8,557.3	9.4%	101,215.6	101,155.6
TOTAL NET EXPENDITURES	248,863.7	248,863.7	259,836.1	10,972.4	4.4%	272,271.1	278,168.6
APPROVED POSITIONS	4,230.4	4,230.4	4,258.1	27.7	0.7%	4,250.8	4,249.8

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Program Specific

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Racquet Sports (L'Amoreaux)	XR3009	Beginning Balance	362.8	397.8	432.8
		Proposed Withdrawals (-) / Contributions (+)	(45.0) 80.0	(45.0) 80.0	(45.0) 80.0
		Total Proposed Contributions (Withdrawals)	35.0	35.0	35.0
		Racquet Sports (L'Amoreaux) / XR3009 BALANCE AT YEAR END	397.8	432.8	467.8

*Balance as of December 2009

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Endowment for Program: Toronto Music Garden	XR1215	Beginning Balance	608.7	583.7	558.7
		Proposed Withdrawals (-) / Contributions (+)	(25.0)	(25.0)	(25.0)
		Total Proposed Contributions (Withdrawals)	(25.0)	(25.0)	(25.0)
		Endowment for Program Toronto Music Garden / XR1215 BALANCE AT YEAR END	583.7	558.7	533.7

*Balance as of December 2009

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Environmental Protection Reserve Fund	XR1718	Beginning Balance	1,419.1	(5,460.0)	(12,339.1)
		Proposed Withdrawals (-) / Contributions (+)	(6,879.1)	(6,879.1)	(6,879.1)
		Total Proposed Contributions (Withdrawals)	(6,879.1)	(6,879.1)	(6,879.1)
		Environment Protection Reserve Fund / XR1718 BALANCE AT YEAR END	(5,460.0)	(12,339.1)	(19,218.2)

*Balance as of December 2009

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	2010*	2011	2012
			\$	\$	\$
Vehicle Reserve Fund - PF&R	XQ1201	Beginning Balance	6,887.3	8.2	(6,870.9)
		Proposed Withdrawals (-) / Contributions (+)	(6,879.1)	(6,879.1)	(6,879.1)
		Total Proposed Contributions (Withdrawals)	(6,879.1)	(6,879.1)	(6,879.1)
		Vehicle Reserve Fund - PF&R / XQ1201 BALANCE AT YEAR END	8.2	(6,870.9)	(13,750.0)

*Balance as of December 2009

Corporate

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2009	Proposed Withdrawals (-) / Contributions (+)		
			2010	2011	2012
			\$	\$	\$
Insurance Reserve Fund	XR1010	32,534.1	3,676.9	3,676.9	3,676.9
Land Acquisition Reserve Fund	XR1012	87,665.5	(250.0)	(250.0)	(250.0)
Total Reserve / Reserve Fund Draws / Contributions			3,426.9	3,426.9	3,426.9

*Balance as of December 2009