

Council Briefing Book

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Overview of the City Government

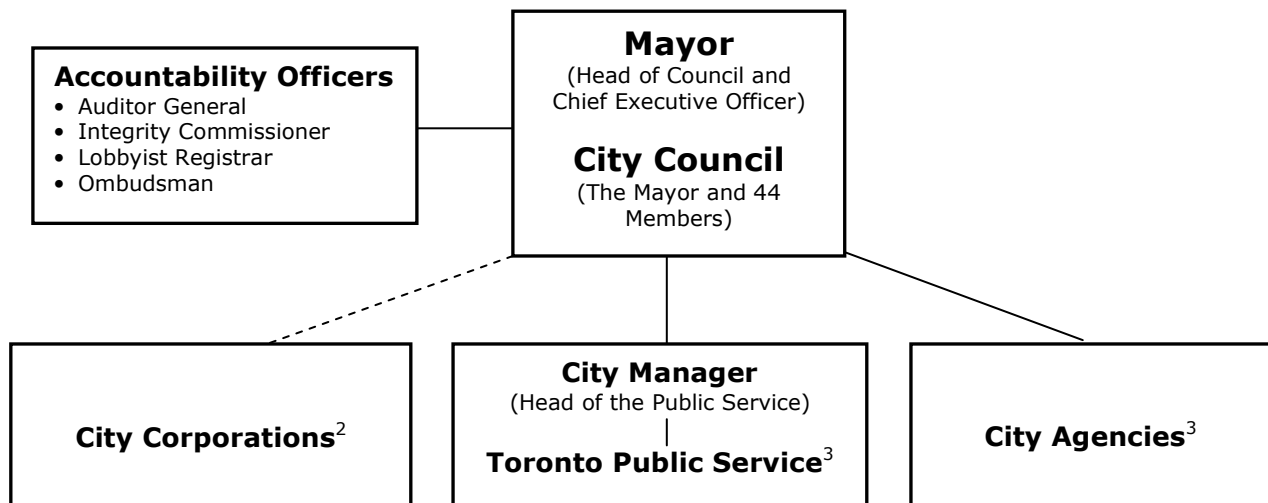
Background

The new City of Toronto government was created on January 1, 1998 as a result of legislation passed by the Province of Ontario merging seven municipal governments into one. Amalgamation took six local municipalities and the metropolitan-wide government, each with its own administrations and political systems, and forged them into a single-tier city.

Since 1998, Toronto has gone from 106 elected officials in the former municipalities to 45, consisting of 44 Councillors and the Mayor. During that same time, the number of wards decreased from 57 to 44. The wards were determined by dividing each of the 22 Toronto electoral districts shared by the provincial and federal governments. The legislation also amalgamated a number of local boards such as the parking authorities and further legislation permitted amalgamation of hydro commissions into one corporation and housing companies into one corporation.

The Toronto government includes:

- The Mayor
- City Council
- City Agencies¹ and Corporations
- Toronto Public Service
- Accountability Officers



¹ Commonly referenced as Agencies, Boards and Commissions.

² Corporations are owned by the City but own their own assets and operate independently from the City.

³ See attached chart for an overview of 2010 approved positions for the Toronto Public Service and City Agencies.

The fundamental source of the City's power is the *City of Toronto Act, 2006*. The *Act* came into force on January 1, 2007 and sets out a broad permissive legislative framework for the City. The *Act* recognizes that it is in the best interests of the Province and the City to work together in a partnership based on respect, consultation and co-operation, and the role of the City is to provide good government within its jurisdiction, through a democratically elected, responsible and accountable government.

The Mayor

As set out in the *City of Toronto Act, 2006* the Mayor has a statutory role as the head of City Council and Chief Executive Officer of the City. As the Chief Executive Officer, the Mayor is responsible to uphold and promote the purposes of the City, ensure its accountability and transparency, promote public involvement in the City's activities, act as the representative of the City locally, nationally, and internationally and foster activities that enhance the economic, social and environmental well-being of Toronto and its residents.

As the head of Council, the Mayor is responsible to provide leadership to Council, preside over Council meetings, and ensure that controllership and administrative policies and practices are in place to implement their decisions.

The Mayor also has powers under various provincial statutes, including the power to:

- call a special meeting of Council in accordance with the Council Procedures;
- expel any person for improper conduct at a meeting;
- act as a commissioner for taking affidavits (as may any member of Council);
- appoint guards with the powers of peace officers for public works and municipal buildings; and
- exercise specific powers in emergencies.

City Council

City Council is composed of the Mayor and 44 Councillors and is the main governing and legislative body for the City. The Mayor is elected at-large while each Councillor is elected in one of 44 wards.

The Council is elected every four years on a fixed date in October. Municipal elections are held on the same day in every municipality in Ontario.

Council has both legislative and administrative responsibilities, and exercises all powers through by-laws, except where otherwise permitted by legislation. Council creates policies and programs, determines service mix, service levels and methods of service delivery, and oversees the work of implementing its decisions. Council awards contracts, and approves the hiring and dismissal of statutory officers and executive staff. Council may, with some limitations, delegate its decision-making authority to committees, City agencies or the Toronto Public Service.

The role of Council as set out in the *City of Toronto Act, 2006* is:

- to represent the public and consider the well-being and interests of the City;
- to develop and evaluate the policies and programs of the City;
- to determine which services the City provides;
- to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of Council;
- to ensure the accountability and transparency of the operations of the City, including the activities of the senior management;
- to maintain the financial integrity of the City; and
- to carry out the duties of Council under this or any other *Act*.

City Agencies and Corporations

Many City services are delivered through City agencies or corporations. They range in size and scope as well as level of autonomy from large corporations, such as Toronto Hydro, with a lot of authority over their operations to small community-based boards, such as community centres, that rely on community involvement and volunteers to deliver programs. Some have been delegated complete authority to make binding decisions and some must obtain Council approval for certain decisions. Council appoints the boards of directors that are comprised of some combination of Council members and private citizens.

Council has the power to change the mandates and governance structures of its agencies, with some limitations for the Police, Library, and Board of Health. Relationship Frameworks are documents that define the relationship between the City and the board and sets out the expectations and obligations of both. Each of the City's corporations has a Shareholder Direction.

For information about how the City manages its relationships with its agencies and corporation, see Note 1.6.

The Toronto Public Service

The Toronto Public Service delivers more than 50 major services to the residents of Toronto. These services include supplying clean drinking water, solid waste management, road maintenance, fire, emergency medical services, parks, child care, housing and homeless services.

The City Manager leads the Toronto Public Service, and provides advice to Council on the City's fiscal, organizational and service responsibilities. The City Manager is accountable to Council for the policy direction and program delivery of all City divisions and provides advice to Council on the governance structure and relationship of the agencies and corporations to the City.

For further information see Note 1.8.

Accountability Officers

As an early sign of its commitment to accountable and transparent government, City Council established an Auditor General in 2002 and an Integrity Commissioner in 2004. Ontario subsequently included a requirement in the *City of Toronto Act, 2006*, to establish an Auditor General, an Integrity Commissioner, an Ombudsman, a Lobbyist Registry and authority to appoint a Lobbyist Registrar.

To meet its statutory obligations and round out Toronto's accountability system, City Council established a lobbyist registry and appointed a Lobbyist Registrar in 2007 and an Ombudsman in 2008.

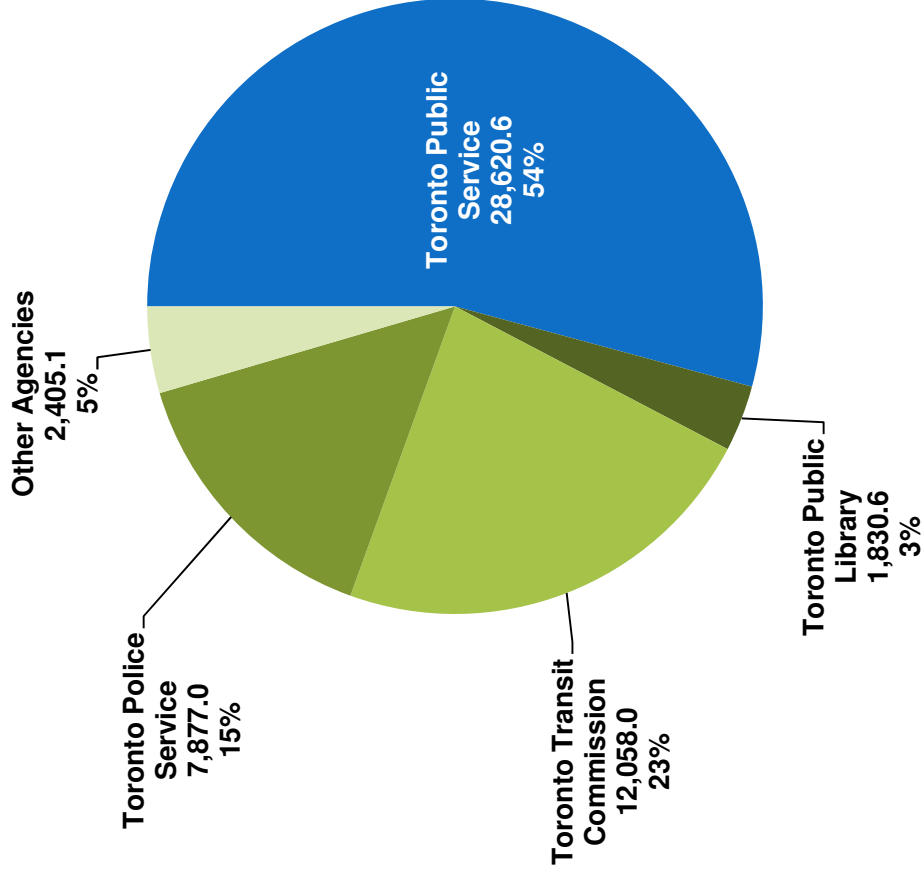
The *Act* sets out the mandates, functions, powers and duties, judicial protections, and confidentiality provisions for each of the accountability functions. Similar to independent officers in other jurisdictions, Toronto's Accountability Officers provide impartial oversight and independent checks on government activity.

City Council in April 2009, adopted a comprehensive Policy Framework to ensure that the Accountability Offices operated within clear principles of independence, balanced with direct accountability to City Council. The Policy Framework forms the basis of Toronto Municipal Code Chapter 3, "Accountability Officers" enacted by Council in October 2009.

For further information about the Accountability Officers, see Note 1.10.

2010 City of Toronto Approved Positions

Total = 52,791.3



Approved Positions : the number of positions (Operating and Capital) required to provide the approved level of service.

Intergovernmental Relations

Issue

- The City engages in a range of intergovernmental relations (IGR) to maintain and advance partnerships that benefit Toronto residents, communities, and businesses, to achieve better and more informed decision-making across orders of government.
- The Mayor, as head of City government, is the lead spokesperson on the City's IGR and strategy. The Mayor may designate others to communicate on certain intergovernmental issues.
- IGR activities are supported by the City Manager who: ensures that the Mayor and Council are provided with strategic IGR advice, executes legislation, funding agreements and formal arrangements with other governments, integrates City divisional work through an IGR protocol and leads discussions with senior public service leads of other governments on issues of shared interest.
- IGR objectives are met through a variety of ways including formal agreements and partnerships with other governments, e.g. *City of Toronto Act*; Toronto-Ontario Cooperation and Consultation Agreement (T-OCCA), and active participation in municipal alliances such as the Federation of Canadian Municipalities (FCM).

Implications

- The City's ability to successfully achieve its mandate is intrinsically linked to the federal and provincial governments' ability to meet the needs of Torontonians:
 - the socio-economic health and prosperity of Toronto residents, communities, and businesses are shared responsibilities;
 - obtaining Toronto's fair share of public investment demands constant collaboration and negotiation; and
 - leading an effective and innovative Toronto public service requires an ongoing exchange of information and knowledge with government partners
- The maintenance of intergovernmental relationships with other orders of government and participation in alliances support the City in serving Toronto residents, communities, and businesses.

Background

Toronto-Ontario Relationship

- The City and Province share a joint interest in many areas including: social and affordable housing, transportation, transit, child care, income security, labour market development, economic development, and public health.
- The City regularly engages with the Provincial Ministries and Agencies including: Municipal Affairs and Housing, Transportation, Infrastructure, Service Ontario, Community and Social Services, College, Training and Universities, Energy, Health and Long Term Care, Community Safety and Correctional Services, Health Promotion and Sport, Metrolinx, and Waterfront Toronto.
- Under T-OCCA, the City and the Province have agreed to consult each other on broad policy matters of mutual interest and on proposed agreements with the federal government.
- Recent highlights include the passing of the *City of Toronto Act, 2006*, and the upload of Provincial program costs (i.e. ODBP in 2008, ODSP by 2011; OW benefits by 2018, Court Security by 2018).
- Other Provincial leveraged investments in Toronto include: \$1.1 B for Spadina Subway extension and Union Station Revitalization, \$416 M toward the 204 LRV replacement initiative, \$110 M towards social housing renovation and retrofits, \$76 M to new affordable housing (Federally matched), \$161million (2009-10) in Provincial gas tax contribution, and a commitment to building four new light rail transit lines under Metrolinx by 2020 (Sheppard, Eglinton, Finch, Scarborough RT).

Toronto-Canada Relationship

- The City and the Federal Government share a joint interest in several areas including: income security, labour market integration, economic development and trade, environment, transportation, infrastructure, immigration and settlement, public safety, health, heritage, homelessness, multiculturalism, and urban aboriginals.

- Key Federal Ministries and Agencies include: Service Canada, Infrastructure and Communities, Industry Canada, Citizenship and Immigration Canada, Immigration Refugee Board, Development Agency for Southern Ontario, Transport, Canadian Heritage, Industry Canada, and Waterfront Toronto.
- Highlights include: permanent federal gas tax funding transfer (\$154 M annually, directed to priority infrastructure investments); a tripartite MOU focused on Toronto immigration issues (funding for pilot projects, research, and local immigration partnerships), \$755 M for Spadina subway extension and Union Station Revitalization; \$333 M for the Sheppard LRT; \$227 M towards 600+ City stimulus projects; \$110 M towards social housing renovation and retrofits, and \$76 M to new affordable housing (Provincially matched).

Regional and International Linkages

- The City shares a mutual interest and working relationships with municipalities in the Greater Toronto Area on matters including the Pan Am Games, transportation and transit, and immigration and settlement.
- The City has an international policy framework, adopted by Council in 2002, that guides City activities in the international arena, integrating a range of activities across City divisions.
www.toronto.ca/legdocs/2002/agendas/council/cc020521/pof8rpt/cl009.pdf

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Decision Making of City Council and City Agencies

Council and its Committee System

City Council uses a committee system to manage its legislative process and make decisions. With few exceptions the business of the City is introduced at a committee and debated for recommendation to Council. City Council and its committees are required to meet in public, with some exceptions as specified in the *City of Toronto Act, 2006*, and all votes, including votes on matters discussed in closed meetings must be taken in public. Committees provide an important forum for debate and public input on issues within their area of responsibility.

Council's core committee system includes:

- An Executive Committee
- Seven policy Standing Committees of Council
- Four Community Councils (geographic standing committees)
- Six special committees

A chart of Council's Committee Structure is attached in Appendix A.

Council Procedures

The business of City Council and its committees is governed by the Council Procedures contained in Chapter 27 of the Toronto Municipal Code. They establish the rules in a number of key areas including:

- Rules of Council and committee debate
- Public participation
- Agendas, minutes and order of business
- Roles of key office holders and conduct of Members
- Committee structure and duties
- Delegation to committees
- Motions and Voting
- Bills and by-laws

City Council can only amend the Council Procedures by a two-thirds vote after certain notice and public hearing requirements are met.

Executive Committee

The Executive Committee reports to Council and is composed of the Mayor (chair), the Deputy Mayor (vice chair), the seven chairs of the Standing Committees and four other members of Council who are not chair of the Toronto Police Service Board or the Toronto Transit Commission. The

Executive Committee's mandate is to monitor and make recommendations on the priorities, plans, international and intergovernmental relations, governance structures and processes including the City's relationship with its agencies and corporations, and financial integrity of the City.

Standing Committees

There are seven policy Standing Committees of City Council. Every Standing Committee has a distinct mandate and is composed of six members and the Mayor by-right-of-office.

Standing Committees are responsible for setting priorities and direction, providing a forum for policy debate and public participation, and recommending policies and budget priorities to Council.

The Standing Committees include:

- **Community Development and Recreation Committee:** Primary focus: social cohesion -- responsible for monitoring and making recommendations to strengthen services to communities and neighbourhoods.
- **Economic Development Committee:** Primary Focus: the economy - - responsible for monitoring and making recommendations to strengthen Toronto's economy and investment climate.
- **Government Management Committee:** Primary focus: government assets and resources -- responsible for monitoring and making recommendations on the administrative operations of the City.
- **Licensing and Standards Committee:** Primary focus: consumer safety and protection -- responsible for monitoring and making recommendations on the licensing of business and enforcement of property standards.
- **Public Works and Infrastructure Committee:** Primary focus: infrastructure -- responsible for monitoring and making recommendations on Toronto's infrastructure needs and services.
- **Planning and Growth Management Committee:** Primary focus: urban form -- responsible for monitoring and making recommendations on the planning, growth and development of the City.
- **Parks and Environment Committee:** Primary focus: the natural environment -- responsible for monitoring and making recommendations on the sustainable use of Toronto's natural environment.

Community Councils

City Council has established four geographic standing committees: North York Community Council, Toronto and East York Community Council, Scarborough Community Council and Etobicoke York Community Council. Each includes eleven electoral wards and represents about 600,000 residents.

Community Councils consider local matters and provide a forum for local input into Council's decision-making process. They hold public meetings on a range of planning matters, monitor the well-being of local neighbourhoods, nominate citizens to a range of local bodies, and consider appeals brought forward by ward councillors of Sign Variance Committee decisions and make recommendations to Council for final decision.

Community Councils also exercise delegated final decision making on a range of local routine matters, subject to certain limitations, including decisions involving parking, traffic regulations and road alterations, permits for cafes and front yard parking, appointments to certain local boards such as community centres, installation of stop signs, and exemptions to certain City by-laws.

Council cannot re-open a decision made by a Community Council on a delegated matter. Council retains the authority to revoke delegation at any time. Community Councils can re-open decisions if required with a two-thirds majority vote. Delegated matters that involve more than one Community Council require Council approval as they are considered City-wide matters.

A Community Council map is attached in Appendix B.

Special Committees

The **Budget Committee** reports to the Executive Committee and is composed of seven members. The Budget Committee is responsible for coordinating the preparation of the capital and operating estimates and reviewing matters that may have a significant impact on a future budget as determined by the Executive Committee.

The **Employee and Labour Relations Committee** reports to the Executive Committee and is composed of seven members. The Committee is responsible for reviewing corporate human resource policy issues affecting the City's workforce. The Committee is also responsible for providing strategic policy direction and receiving routine updates on collective bargaining related to the City.

The **Affordable Housing Committee** reports to the Executive Committee and is composed of six members. The Committee has several responsibilities including leading affordable housing policy, research and advocacy; allocating funding and acquiring land to increase the supply of affordable housing; and measuring the efficiency and effectiveness of projects and programs undertaken by the Affordable Housing Office.

The **Civic Appointments Committee** reports directly to Council and is composed of up to nine Council members, including the Mayor or the Mayor's designate as Chair. The Committee makes recommendations to City Council on the appointment of citizens to the City's agencies, external bodies and other committees.

The **Audit Committee** reports directly to City Council and is composed of six members. The Committee has several responsibilities, including considering the annual external audit of the City's financial statements, reviewing the audited statements of City agencies, considering reports from the Auditor General, and recommending the appointment of the City's external auditor, auditor for City agencies, and external auditor to conduct the annual audit of the Auditor General's Office.

The **Striking Committee** reports directly to City Council and is composed of up to seven members of Council.

The Striking Committee is responsible for making recommendations to City Council on:

- Council member appointments to fill the positions of the at-large members of the Executive Committee, the members of the Standing Committees, the members of the Budget Committee, the members of the Audit Committee, and the members of the Civic Appointment Committee;
- Council member appointments to the boards of directors of City agencies and Council representatives on external boards and public advisory bodies; and
- The meeting schedule for City Council and Council Committees.

Board of Health is a statutory board governed by the Provincial *Health Protection and Promotion Act*. The Board reports directly to Council and is composed of 13 members including 6 members of Council, 6 citizen members and 1 representative from education.

The Board of Health has several responsibilities that include advising Council on a broad range of health issues, and providing direction to the Public

Health Unit on public health policies, programs and services that respond to local health needs.

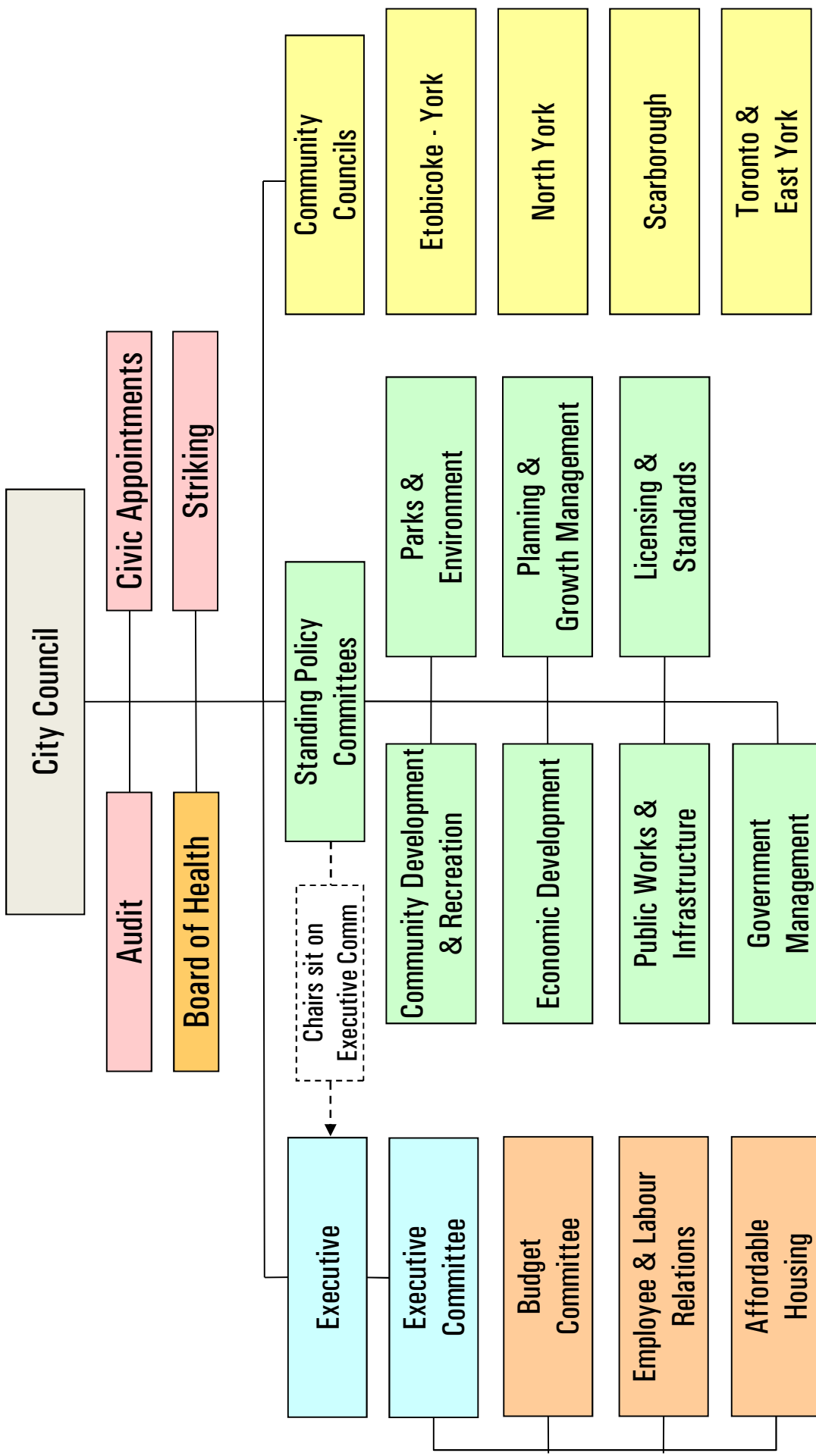
Sub-Committees can be established by the Executive Committee, a Standing Committee, a Special Committee, the Board of Health and a Community Council to undertake a time-limited task or to serve on an ongoing basis for more detailed consideration of matters. Sub-committees generally report through their establishing body, except for Community Council subcommittees who report directly to Council on public hearings and public presentations. Only members of the committee creating the subcommittee may be subcommittee members.

Public Advisory Bodies

Public Advisory Bodies may be established and appointed by City Council to advise on specific areas of interest. They do not have decision-making powers. These bodies may be composed of both elected and non-elected persons. Public advisory bodies are reviewed and established by City Council at the beginning of each term upon recommendation of the Mayor.

Decision-Making of the City's Agencies

City agencies have separate governance structures and make decisions about the City services for which they have been delegated responsibility. Agencies are subject to various accountability mechanisms and requirements. The decision-making authority of agencies and their governance relationships with the City vary and are based on different legislative requirements; different status, mandates and structures; and different levels of authority delegated by Council. The Executive Committee is responsible for recommending the governance structure, mandate and accountability mechanisms for all City agencies and corporations. However, agencies report through various Standing Committees depending on the subject matter.



Open and Closed Meeting Requirements

City Council and its agencies¹ are required to follow the open and closed meeting provisions of the *City of Toronto Act, 2006*, as well as the closed meeting rules set out in the Council Procedures (or agency procedures if they have their own).

Generally, the City and its agencies are required by law to give notice and to hold all meetings in public. Sometimes it is necessary to close a meeting or part of a meeting to the public so Council or an agency can consider confidential information as permitted by law.

Meetings of City Council and its agencies can only be closed to consider confidential information that falls into one of the following statutory categories/exceptions:

- Security of the property of the municipality or agency.
- Personal matters about an identifiable individual.
- A proposed or pending acquisition or disposal of land.
- Labour relations or employee negotiations.
- Litigation or potential litigation, including matters before administrative tribunals.
- Advice that is subject to solicitor-client privilege.
- Education or training of the members, so long as no decision-making is advanced.
- Any other matter permitted or required by statute.

No votes can be taken in closed session, except for votes on procedure and votes to give confidential instructions to City staff, its agencies or agents. Council and its agencies are also required to begin and end a meeting in public and to adopt a motion to close a meeting setting out the nature of the subject to be discussed and the statutory reason for closing the session.

Under the *City of Toronto Act, 2006* the open and closed meeting provisions do not apply to the Toronto Police Services Board, Toronto Public Library Board, and various City pension boards. As well, City Corporations which operate under the *Ontario Business Corporations Act, 1990*, are not required to have open meetings unless Council as the shareholder so directs. Currently, Council has directed that the board meetings of Build Toronto and Toronto Port Lands and their committees be held in public, and consider

¹ Commonly referenced as Agencies, Boards and Commissions. These are the City's local boards, as defined in the *City of Toronto Act, 2006*. A list of such bodies can be found on the City's website at www.toronto.ca/abcc/index.

confidential information in accordance with the requirements of the *Act*. Toronto Community Housing Corporation also conducts its meetings in accordance with these rules.

Open Meeting Investigator

As provided for in the *City of Toronto Act, 2006*, the City has appointed an investigator to handle complaints and investigate compliance with the open and closed meeting provisions of the *Act* and the Procedures By-law. If the investigator finds that a meeting has been closed improperly, he or she will report that finding to Council or the appropriate agency together with any recommendations.

Member Appointments

City Council

Unless City Council decides otherwise the members of the following committees are appointed by City Council until the end of the second full year of the Council term, or until their successors are appointed:

- The Executive Committee's four members-at-large
- The Standing Committee members
- The Vice Chairs of Standing Committees
- Special committee and sub-committee members
- Any Council members appointed to agencies and external bodies
- Council members who are members of any other committee or public
- Advisory Bodies

The Mayor

The Mayor is a member of all committees and is entitled to one vote.

The Mayor chairs the Executive Committee, the Striking Committee and the Civic Appointments Committee. The Mayor also recommends to Council the membership of the Striking Committee.

Council has authorized the Mayor to appoint the Deputy Mayor and Standing Committee chairs, to serve at the Mayor's discretion. The Mayor may designate the Deputy Mayor as chair of the Striking Committee, and any other member of Council to chair the Civic Appointments Committee.

The Deputy Mayor assists the Mayor, is Vice Chair of Executive Committee and can act as Mayor when the Mayor is absent from the City or absent because of illness, or when the office of the Mayor is vacant. The Deputy Mayor has, and may exercise, all the rights, power and authority of the Mayor, save and except the by-right-of-office powers of the Mayor as a member of a community council.

The Speaker and Deputy Speaker

Under the *City of Toronto Act, 2006*, Council may, with the consent of the Mayor, designate another Member of Council to preside at meetings of the City. Given this ability to designate a presiding officer, Council created the positions of 'Speaker' and 'Deputy Speaker' effective December 1, 2006.

The Speaker is responsible for chairing City Council meetings, subject to the consent of the Mayor, and when the Mayor vacates the chair. Since the Mayor retains the statutory power to chair meetings, the Mayor may resume the chair at his or her discretion. The duty of the Deputy Speaker is to act as chair when the Speaker is unable to.

The Speaker and Deputy Speaker are elected by City Council, from among its members, at the first Council meeting of a new term. While the *City of Toronto Act* allows for a secret ballot, Council has decided to conduct the balloting process in public. Both the Speaker and Deputy Speaker are elected for the Council term, unless removed from office by a two-thirds vote of Council (30 members).

Striking Committee

The Striking Committee includes the Mayor as Chair, or the Deputy Mayor if the Mayor so assigns. The remaining six members of the Striking Committee are appointed by Council upon the Mayor's recommendation. Members of the Striking Committee may only serve on one of the following: The Toronto Police Services Board or the Board of Directors of the Sony Centre for the Performing Arts.

Standing Committee Chairs

The standing committee chairs are appointed by the Mayor and serve at the Mayor's discretion. The standing committee chairs have a dual role within Council's committee structure as chair of their standing committee and a member of the Executive Committee. Chairs are required to weigh matters within Council's overall agenda within a city-wide context, and provide leadership to their standing committee in making decisions within this context.

Community Councils

Each member of Council serves on the community council that incorporates his or her ward. The Mayor is a voting member of all community councils. The chair and vice chair of each community council is elected by the community council from among its members.

City's Agencies and Corporations

Why Manage Through Agencies and Corporations

City Council has chosen to deliver some services through agencies or corporations where decision-making has been delegated to a board of directors. There are a variety of reasons that this model has been implemented:

1. Required by legislation (e.g. Police, Library, Health, Committee of Adjustment)
2. To engage citizen members in decision-making
 - i. to bring additional expertise on specific matters
 - ii. to satisfy neighbourhood interests
 - iii. to utilize volunteer capacity
 - iv. to involve funders or fund-raisers
 - v. to provide a voice for stakeholders or special interest groups
3. To establish independence for quasi-judicial decisions
4. To focus on one major policy objective, facility, or service
5. To operate within a commercial environment

The reasons vary with each agency, but the composition of the board and the operating principles and policies imposed should be consistent with the reasons for establishing the arms-length relationship in order for the model to work effectively.

The City currently has 108 agencies (including the boards of management for the City's 71 Business Improvement Areas or BIAs). Taken together, agencies manage 34% of the City's combined operating and capital budget and had approximately 24,000 approved positions in 2010 (which represents 46% of the total City of Toronto 2010 approved positions).

Types of Bodies

City agencies or corporations range in size and scope and degree of independence from the City.

- Corporations are owned by the City but own their own assets and operate independently from the City (e.g. Toronto Hydro and Toronto Community Housing Corporation).

- Agencies have delegated decision-making authority and their own administrative capacities, but Council approves their budgets, sets certain policies, and makes certain significant decisions (e.g. TTC, Parking Authority, Exhibition Place).
- Small community-based agencies rely extensively on community involvement and volunteers to deliver programs and the City provides the capital budget and a range of administrative supports (e.g., community centre boards of management and arena boards).
- Quasi-judicial adjudicative bodies and financial management bodies make final and binding decisions, but rely on City staff for all administrative support so their costs are included with divisional budgets (e.g. Committee of Adjustment, Sinking Fund).

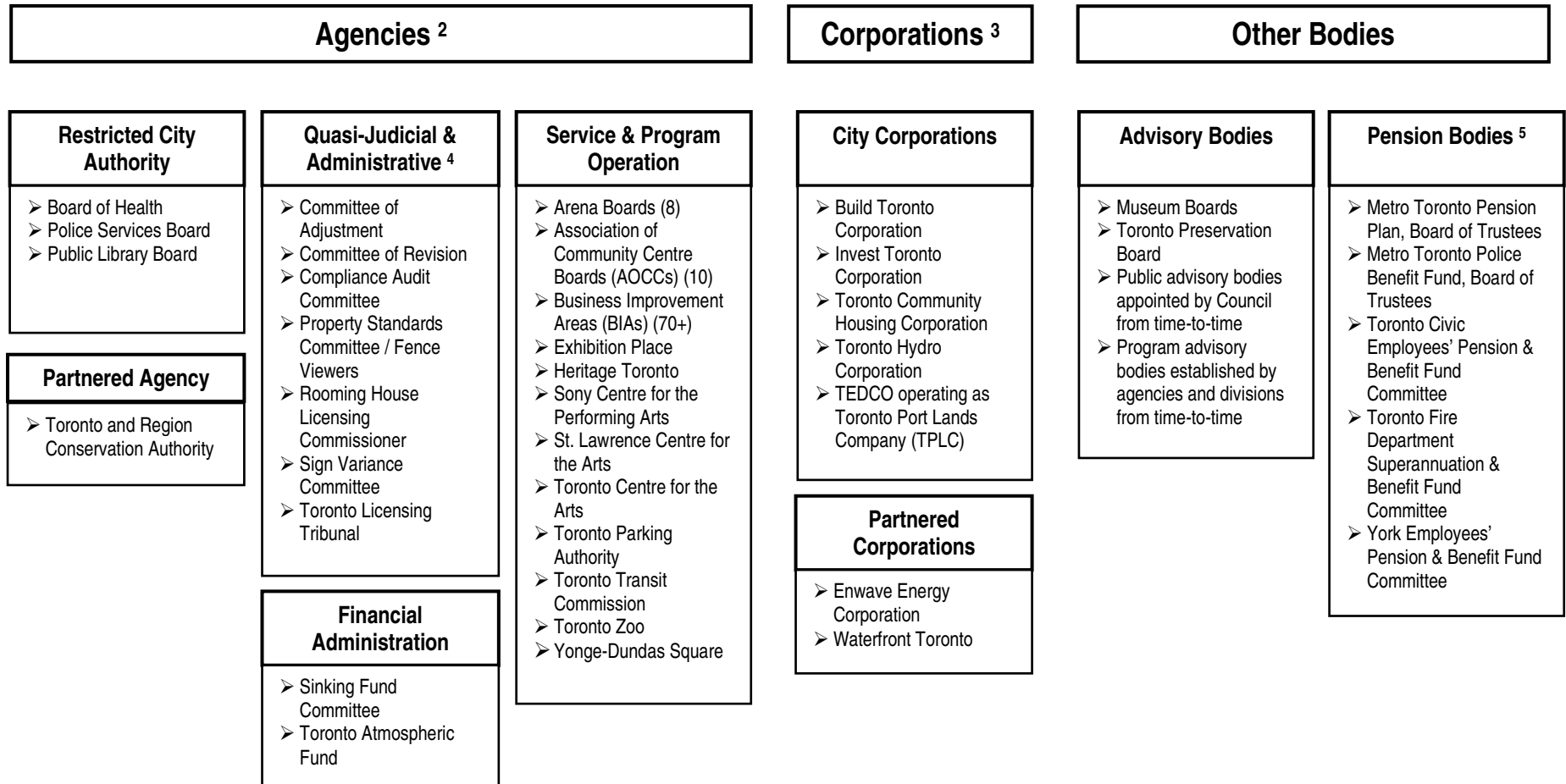
Relationship to the City

Different agencies may have different governance relationships with the City based on different legislative requirements and differences in status, mandate and structure. City Council has also delegated varying levels of authority to its agencies and corporations to deliver services on Council's behalf. With this assignment of responsibilities comes the obligation to conduct business in a manner consistent with City objectives. This occurs through a number of mechanisms:

- Council has the power to change the mandates and governance structures of its agencies. Some limitations apply for Police, Library, and Board of Health that are required by legislation.
- Council appoints members of Council and Toronto residents to serve on the boards of directors of agencies and corporations.
- Council has approved a number of relationship frameworks that define the relationship between the City and the specific agency including Council's delegation of authority, expectations, policy requirements, and requirements for reporting to Council.
- For City-owned corporations, Council as the shareholder approves Shareholder Directions to the boards of directors.

A chart of agencies and corporations is attached.

City of Toronto Agencies and Corporations ¹



Notes:

1. Chart includes agencies, corporations and other bodies. The City also makes nominations for board appointments to a number of external bodies (not on this chart).
2. Previously referred to as agencies, boards and commissions.
3. City Corporations are Ontario Business Corporations Act (OBCA) corporations.
4. Includes quasi-judicial/administrative positions.
5. Pension Bodies are Trust Fund Administrators.

Updated: October 2010

Public Appointments Policy

Background

Citizen appointments to City agencies, corporations and major advisory bodies are governed by the Public Appointments Policy¹ approved by Council in September 2006. The appointment of Toronto residents to serve on City boards is a key component of civic engagement and enables the public to participate in the City's decision-making processes. Council approves the appointments.

The Policy provides a framework to ensure that the City's recruitment process is fair and consistent. The Policy applies to citizen appointments, not the appointment of Members of Council.

Each term, Council considers changes to the Public Appointments Policy to ensure that it meets each new Council's priorities. A review of the Policy will be considered by Council in the first quarter of 2011.

Key features of the Policy include:

- Principles
- Open, Competitive and Equitable Appointments Process
- Eligibility Requirements
- Term of Appointment
- Recruitment Methods
- Civic Appointments Committee

Key Features of the Policy

Principles

The following principles underpin the Policy:

- skills-based selection pertinent to the needs of each board;
- representation of a variety of perspectives to reflect the diversity of the community;
- fair, open, and competitive process;
- City boards will reflect the City's diverse population in terms of gender, age, physical ability, ethnicity, sexual orientation, and geographic representation; and

¹ The Public Appointments Policy can be found at: <http://www.toronto.ca/public-appointments/pdf/public-appointments-policy.pdf>

- only residents of Toronto will govern the municipal business of Toronto and members do not need Canadian citizenship status to qualify.

Open, Competitive and Equitable Appointments Process

The City is committed to an open, competitive and equitable appointments process to encourage broad participation of residents:

- *Openness* means that clear expectations for each position are identified.
- *Competition* means that there is public and widespread recruitment for positions and a commitment to evaluating applicants on merit.
- *Equity* means that practices are consistent with achieving participation that affirms Toronto's diversity, including removing barriers to the recruitment, selection, and retention of members of systemically disadvantaged groups, including women, youth (ages 18 to 30), aboriginal people, people with disabilities, and racial minorities.

Council has been very successful in achieving these objectives and has received recognition for the integrity of the process.

Eligibility Requirements

Persons selected for an appointment must be residents of Toronto (and remain so throughout their term of office), and at least 18 years of age (the age of majority in Ontario). Residents must also be Canadian citizens where required by law for specific boards.

Former Members of Council who served on Council in the term immediately preceding the term for which appointments are being made are not eligible for appointment to the Toronto Licensing Tribunal. In accordance with Council policy, relatives of Members of Council (spouses and those in a conjugal relationship, children and parents) are not eligible for appointment to a City board.

Term of Appointment

In general, the term is four years, coincident with the term of the Council that appoints the members or until a successor is appointed. Despite the term of appointment, all citizens are appointed at the pleasure of Council and Council retains the right to replace any appointed member at any time and for any reason.

With some exceptions, the limit on length of service for any citizen is 2 consecutive terms on the same board.

Recruitment Methods

Generally, the public appointments process begins as soon as possible after a municipal election to allow the selection panel to consider potential applicants early in the new term. The timing may vary for those boards with different terms (such as corporations and community-based boards).

The type of qualifications being sought for citizen board members determines the recruitment method. Recruitment methods for any one board may include:

- *Advertised Recruitment* - standard process used by the City and is appropriate where the skills and interests required are general in nature.
- *Interest Group Nomination* - where Council wishes to represent the interest of stakeholders on a board or to obtain special expertise from a professional or technical organization.
- *Multiple Sourcing Using Search Consultant* - this process is appropriate when multiple sources are used to recruit applicants for a board that requires specific expertise and experience in one or more given fields.
- *Nomination by Invitation* - this process is only appropriate where high profile or philanthropic individuals are being actively recruited or where Council delegates the authority to nominate or appoint to a City official.

These methods are under review and may change.

Civic Appointments Committee

The Civic Appointments Committee makes recommendations to City Council on the appointment of citizens to the City boards. This Committee reports directly to Council and is composed of up to nine Council members, including the Mayor or the Mayor's designate as Chair.

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The Toronto Public Service

The Toronto Public Service implements the priorities and directions of Council and is responsible for the delivery of more than 50 major services that have continuous impact on residents and Toronto’s quality of life. Many services are provided around the clock, 24 hours a day, seven days a week.

Overview of City Services	
⊕ Indicates Services provided 24 hrs a day	
<ul style="list-style-type: none"> • Solid waste collection, processing, recycling • Water and wastewater services ⊕ • Emergency services <ul style="list-style-type: none"> • Policing ⊕ • Fire ⊕ • EMS ⊕ • Goods and people movement <ul style="list-style-type: none"> • Transit ⊕ • Regional roads ⊕ • Local roads and sidewalks ⊕ • Economic development • Libraries, parks and recreation • Court Services • Arts, culture and heritage 	<ul style="list-style-type: none"> • Planning and Development • Urban Design • Building Permits • Licensing • Bylaw enforcement and inspections • Social and health services <ul style="list-style-type: none"> • Employment and Social Assistance • Long-term Care Homes & services ⊕ • Child care • Hostels ⊕ • Social housing ⊕ • Public health • Community and neighbourhood support

The City Manager

The City Manager is the head of the public service and is accountable to City Council for ensuring that Council approved policies and programs are effectively delivered by members of the Toronto Public Service.

The City Manager:

- is responsible for efficient and effective delivery of services, policy direction and program delivery of all City divisions,
- provides Council with a single point of administrative accountability and strategic leadership, and
- provides organizational leadership to the Toronto Public Service.

The Deputy City Managers

The City Manager is assisted in delivering City-wide administrative governance and oversight by three Deputy City Managers (DCMs), one of whom is also the Chief Financial Officer. Each of the Deputies report to the City Manager and is responsible for the management, administration, performance oversight and financial, budget and resource allocation for a number of City divisions.

The Deputies also lead City-wide initiatives, as assigned by the City Manager, promoting collaboration and innovation across the organization to ensure horizontal integration between programs and the delivery of corporate objectives and Council priorities.

Division Heads

Divisions are headed by a senior manager responsible for the management and administrative oversight of their division and directly respond to Councillor's questions about their programs and services at Standing Committee and Council meetings. Their responsibilities include:

- accountability to Council for divisional service objectives and results,
- day to day operations and program stewardship,
- management of human resources and budgets within their service, and
- working collaboratively to achieve Council priorities.

The City Solicitor

The City Solicitor is appointed by City Council and provides legal advice to City Council, City Divisions and Agencies; and protects the interests of the corporation. The City Solicitor reports directly to City Council, and to the City Manager for administrative purposes.

The Legal Services Division provides legal advice on a variety of areas including land use planning and development, employment and labour relations, real estate matters, corporate governance, and contract negotiations and agreements. The Division prosecutes a wide range of offences committed under City bylaws and Provincial statutes including fire, building, and zoning violations, traffic and parking offences and water pollution offences. The Division also represents and defends the City in litigation matters at all levels of courts and administrative tribunals.

The City Clerk

The City Clerk is an officer of the City with duties outlined in many pieces of provincial legislation, either directly or indirectly through delegation by Council.

The City Clerk is appointed by Council. The Clerk reports to Council for statutory responsibilities and to the City Manager for administrative purposes.

The City Clerk's Office provides foundation services that enable and support open government in Toronto. Duties include supporting Council's decision making processes, providing corporate information management services, fulfilling the duties of the Clerk under the *Municipal Elections Act*, assisting the Mayor and Councillors in carrying out their ceremonial and civic duties, serving the public in provincially-mandated areas and providing administrative, budget and business support to Members of Council and the Integrity Commissioner, Lobbyist Registrar and Integrity Commissioner.

The Medical Officer of Health

The accountability structure for the Medical Officer of Health (MOH) is unique within the City administration. The MOH is established under the *Health Promotion and Protection Act* and reports to City Council through the Board of Health. The MOH liaises with the City through a Deputy City Manager.

See Appendix for the City's organizational chart.

Toronto Public Service Demographics

There are just under 36,000 active members of the Toronto Public Service.

- 51% Male, 49% Female
- 12% are Non-Union and 88% are Unionized
- 66 % are Full-time, 34% are Part Time and 1% are Contract and Tradespeople
- The average age is 41 years old with an average of 11 years of service (including recreations workers)
- The average age is 45 years old with an average of 14 years of service (excluding recreation workers)
- The average retirement age is 61 years old

Toronto Public Service Values

The Toronto Public Service is guided by the City's:

Motto: Diversity Our Strength

Mission statement: To serve a great City and its people.

Toronto Public Service Framework: 3 Pillars - Service, Stewardship and Commitment

The Toronto Public Service Framework, along with a Charter of Expectations, fosters a culture that sets the highest standard of integrity, professionalism and ethical behavior, and informs the public about what they can expect from public employees.

The Charter specifies that members of the Toronto Public Service will:

- Act with integrity;
- Apply judgment and discretion;
- Serve the public well;
- Serve Council well;
- Serve the public service well;
- Maintain political neutrality; and
- Use City property, services and resources responsibly.

Toronto Public Service People Plan

The People Plan was developed in 2008 to address significant workforce planning challenges the City faces over the next few years. The Plan is intended to ensure the continued effectiveness, efficiency, diversity and high performance of the workforce.

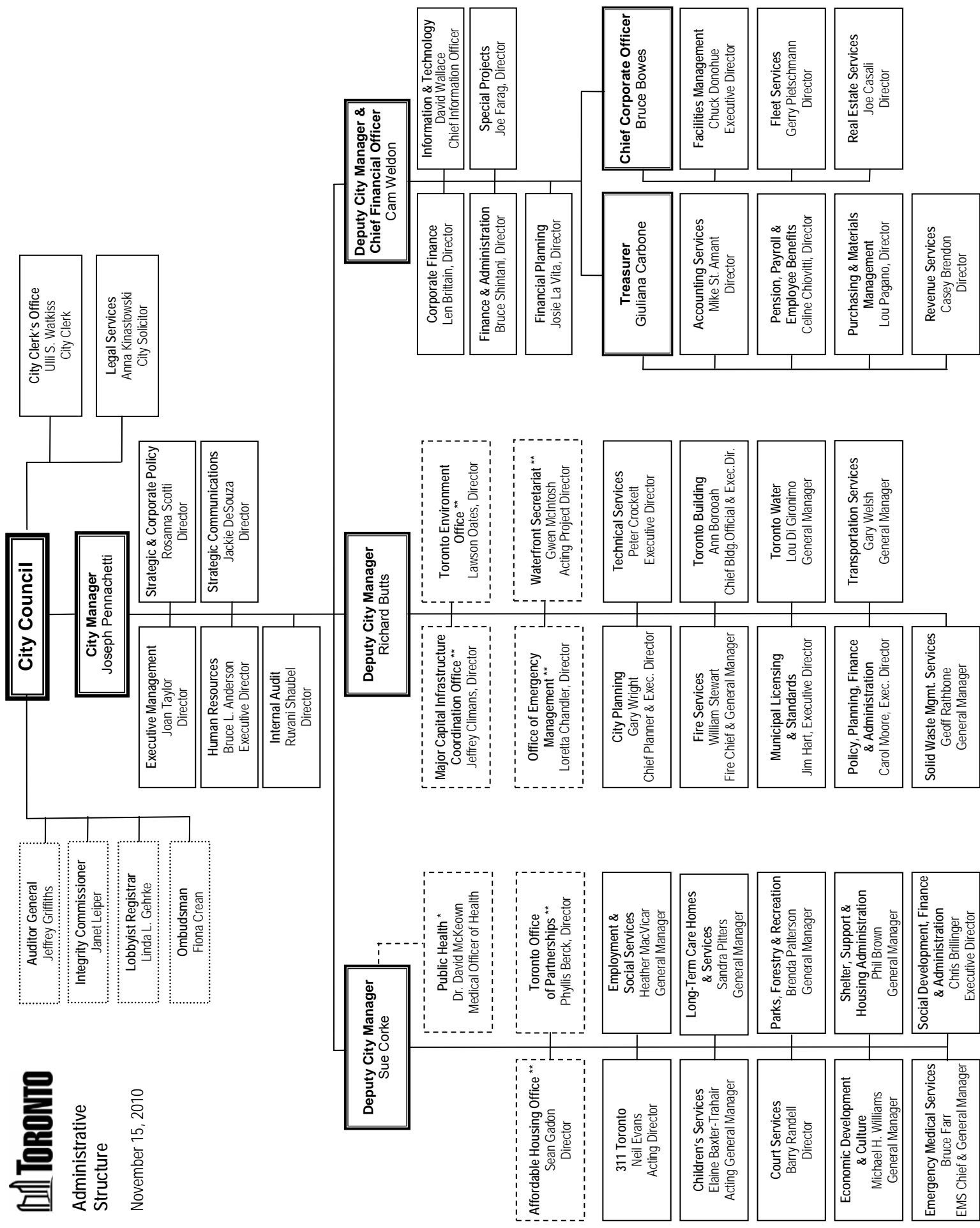
The Plan's five goals (each with specific objectives) are:

1. A learning organization
2. A safe and healthy workplaces
3. Attract and retain a skilled, high performing and diverse workforce
4. Strong and effective leaders
5. A positive workplace culture



Administrative Structure

November 15, 2010



Internal Control Framework

Overview

The City's internal control framework is comprised of a system of checks and balances designed to mitigate risks in order to safeguard City resources and assets from loss or inappropriate use, and ensure value for money is achieved in City operations.

The key components of the framework include:

- Effective policies, procedures and processes
- Staff training and development
- Clear responsibilities and accountabilities
- Robust supervision and oversight
- Dedicated Internal Audit Function

Role of Senior Management

The City's senior management, including the City Manager, Deputy City Managers (DCMs), and Division Heads are collectively responsible for establishing, maintaining, and monitoring the City's internal control system.

Specifically, the City Manager, in consultation with the senior management team, is responsible for identifying the administrative areas of greatest risk and for ensuring that adequate controls are in place to safeguard the City's assets. The Deputy City Managers have oversight responsibility to ensure adherence to City policies and procedures within their cluster. The Chief Financial Officer is responsible for designing, implementing and supporting effective internal controls regarding policies and procedures for the City's financial transactions.

Key Components of the Framework

Effective Policies, Procedures and Processes

Key policies, procedures and processes include:

- Toronto Municipal Code, Chapter 71, Financial Control, and associated policies and procedures outline the authority and authorization limits of staff, standing committees and Council with respect to financial commitments (i.e., operating/capital budget expenditures, re-allocation of budgets, use of contingency funds, etc.).

- Toronto Municipal Code, Chapter 195, Purchasing, and associated policies and procedures govern how procurement should be conducted at the City, including the development of call documents and solicitation of bids for awarding contracts.
- The City's accounting practices are in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB). With the implementation of PSAB's recent Asset Management standards the City will have improved controls over the safeguard of City assets.
- Many of the City's operations are required to comply with various Provincial and Federal legislative requirements. The City has implemented quality control and assurance mechanisms to ensure compliance with these statutory requirements.

Staff Training & Development

- Recruitment and Corporate Training Programs provide staff at various levels with an opportunity to develop the core competencies required to perform their job, including training with respect to conflict of interest, ethics, health and safety, procurement, and contract and financial management.

Clear Responsibilities and Accountabilities

- Responsibility for controls is incorporated into the annual performance review of all management staff and outlined in the Management Responsibility Control Checklist. The Checklist includes oversight in the following areas: conflict of interest, values and ethics, human resources and payroll, procurement, contract management, budget and expenditures, project management, information technology, records management, and fraud detection and prevention.
- The Conflict of Interest Policy and the Toronto Public Service (TPS) Guide articulate the highest ideals and values for public servants.
 - All non-union staff are required to sign an annual declaration that they are aware of and will comply with the Conflict of Interest Policy.

- The Toronto Public Service Guide includes a Charter of Expectations which is linked to key policies such as Conflict of Interest and the Fraud Policy.
- The City's Charter of Expectations promotes high standards among public servants and informs the public about what they can expect from public employees (i.e., integrity, good judgement, political neutrality, service orientation, and ethical conduct).
- Staff have a clear understanding of their obligations and responsibilities under Toronto Municipal Code, Chapter, 140, Lobbying.

Robust Supervision and Oversight

- Divisional Fraud Action Plans have been developed in order to be proactive in detecting and preventing potential fraudulent activity. Each Plan identifies program specific risks and controls to mitigate risk.
- Independent Human Resource file audits are undertaken regularly to ensure compliance with the City's hiring practices.

Dedicated Internal Audit Function

- Supports the City Manager and senior management by providing objective assurance and advice to help mitigate risks and, improving the integrity, reliability and effectiveness of the City's administrative processes.
- Provides advice and guidance to divisional staff on risk management, controls, and business practices and, carries out regular compliance and operational reviews.
- Provides advice on the design and development of new or enhanced programs, policies, processes and information systems.

Accountability Officers

Background

As an early sign of its commitment to accountable and transparent government, City Council established an Auditor General in 2002 and an Integrity Commissioner in 2004 and requested authority from the Province to establish empowered Integrity Commissioner, Lobbyist Registrar and Ombudsman functions.

The Province of Ontario subsequently included a requirement in the *City of Toronto Act, 2006*, to establish an Auditor General, an Integrity Commissioner, an Ombudsman, a Lobbyist Registry and authority to appoint a Lobbyist Registrar (collectively the "Accountability Officers").

To meet its statutory obligations and round out the City's accountability system, City Council established a lobbyist registry and appointed a Lobbyist Registrar in 2007 and an Ombudsman in 2008.

Mandate of the Accountability Officers

As in other jurisdictions, it is the Accountability Officers' role to be objective and independent checks on the City's activities and hold the City administration and legislative arm of the City government accountable. Each Officer has a specific mandate and role to play in advancing transparency and accountability at the City. Accountability Officers can only intervene or investigate on matters and organizations within their individual mandates.

Part V of the *City of Toronto Act, 2006*, provides broad powers and protections to each Accountability Officer to carry out their respective mandate, including the power to gather evidence, compel disclosure of information, summon and examine witnesses under oath, and ability to conduct their work in private as required. The *Act* also establishes a duty of confidentiality on the part of the Accountability Officers and persons working under their instructions which prevail over the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*.

The **Auditor General** is responsible for assisting City Council in holding itself and its administration accountable for public funds and for the achievement of value for money in City operations including all City divisions, agencies, and the offices of the Mayor and Members of Council. The Auditor General also manages the City's Fraud and Waste Hotline.

The **Integrity Commissioner** is responsible for providing advice, complaint resolution and education to elected officials (the Mayor and Councillors) and appointees of local boards on the application of their respective Code of Conduct, and other by-laws, policies and legislation governing ethical behavior. Applicable Codes of Conduct, include:

- Code of Conduct for Members of Council
- Code of Conduct for Members of Local Boards
- Code of Conduct for Members of Adjudicative Boards

The Integrity Commissioner also plays a role in investigating complaints (formal or informal) about the conduct of Members of Council, Members of Local Boards and Adjudicative Boards and in determining whether or not there has been a violation of the City Codes of Conduct.

The **Lobbyist Registrar** promotes and enhances the transparency and integrity of City government decision making through public disclosure of lobbying activities and regulation of lobbyists' conduct. The Lobbyist Registrar's responsibilities include overseeing the lobbyist registration system, providing advice on Chapter 140, Lobbying, of the Toronto Municipal Code, investigating and enforcing compliance with the Chapter 140 and advising City Council on lobbying matters.

The **Ombudsman** ensures that the City treats the public fairly, and works to ensure that services are provided in a fair and equitable manner for all. The Ombudsman is responsible for addressing concerns about City services and investigating complaints about administrative unfairness related to all City divisions, most City agencies (including the Toronto Transit Commission), and the Toronto Community Housing Corporation. City Council and its legislative Committees do not fall within the Ombudsman's purview.

Balancing Independence and Accountability

The City's Accountability Offices were established with clear principles of independence, balanced with direct accountability to City Council. In April 2009, City Council adopted a comprehensive policy framework for the City's Accountability Officers, codified in the Toronto Municipal Code, which reinforces both their arm-length relationship to the City administration and their independent status within the City's governance system.

The Officers' report to and are directly accountable to City Council for the management of their offices, the administration of the services they provide, their performance in fulfilling their mandates and their use of public funds.

There are a number of mechanisms through which the Officers accountability to City Council is achieved, including:

- Annual report transmitted directly to City Council, except for the Auditor General's report which is transmitted to Council through the Audit Committee.
- Annual Attest Audit as part of the City's annual attest audit.
- Annual Compliance Audit transmitted directly to City Council, except for the Auditor General's compliance audit which is transmitted to Council through the Audit Committee.
- An External Peer Review of the Auditor General's Office every three years to ensure compliance with Government Auditing Standards. The results of the review are reported to City Council through the Audit Committee.
- Annual review and approval of the Officers' budget requests through Council's budget process.
- Investigation reports transmitted directly to City Council.
- Policy-related reports reported to Council through Executive Committee.

Independence Features of the Accountability Officers

Independence is essential to the effectiveness and credibility of these offices, and to the ability of the Accountability Officers to fulfill their statutory duties. Independence for the City's Accountability Officers is achieved through a number of provisions contained in the Toronto Municipal Code, including:

- Appointment and removal of the Accountability Officers by a 2/3 vote of all Members of City Council.
- Removal for cause only which provides security of tenure throughout the term of office.
- Direct reporting relationship to City Council, not through the City's administration.
- Fixed term of office.
- Defined and transparent appointment, renewal and removal process.
- Responsibility and authority to manage and staff their own offices.
- Annual budgets submitted directly through the Council process for consideration and approval.

Role of the Public in Decision Making

Overview

Public participation in Council's decision-making is essential and is a cornerstone of good governance. The City is committed to:

- ensuring Toronto residents have a strong voice in shaping the decisions of their government – decisions which have a direct impact on their quality of life and the City's economic, social and environmental health
- addressing barriers to participation through outreach and using a range of mechanisms and forums to support inclusion
- transparent decision-making through open meetings and making information available through both traditional and on-line and emerging methods

Opportunities for Public Involvement

Involvement includes voting in an election and interacting with a local Council member. In addition, a variety of methods and forums are used to ensure opportunities for ongoing public participation in the City's decision-making processes, including ensuring access to information that assists the public to participate.

Forums and methods vary depending on the nature of the issue; whether the involvement is legislated or formal, or sought on a more discretionary or informal basis; and whether the issue is neighbourhood or community based or of a city-wide nature; included are:

- Speaking (making a deputation) at Standing Committees of Council on city-wide policy issues and at Community Councils on local matters.
- Responding to local polls and surveys to provide input on neighbourhood and community issues.
- Involvement in public meetings about planning applications and development activities required under the *Planning Act*, or requesting input under a prescribed Environmental Assessment.

- Serving as board members on the City's 108 Agencies, or providing input at Agency board meetings.
- Serving on topic specific citizen advisory bodies and panels established by the Mayor, Council or City Agencies.
- Participating in program and service committees established by City staff.
- Providing feedback on planning notices, surveys and questionnaires.
- Participating in town hall meetings, information sessions and consultations on emerging and important City issues.
- Providing input to the Toronto Public Service and City Agency staff as programs, services and policies are developed and modified to meet current and emerging community needs, and participating in community development activities.
- Participating in City-sponsored civic literacy programs.
- Accessing information and following Council and committee meetings through traditional and on-line means.

Conclusion

The public's role continues throughout Council's decision-making process. As an issue moves through the formal governance system additional public input is often sought or matters are referred for further public engagement. Council's work is strengthened and supported by public participation and the opportunity to consider diverse perspectives and interests as an integral part of its decision-making process.

The City of Toronto continuously improves its methods of participation, engaging changing technology or innovative means to advance conversations with members of the public on issues of city-wide significance.

Ward Boundary Review

Issue

Some City ward boundaries exceed or are approaching the plus or minus 25 percent population variance benchmark for acceptable differences in electoral boundaries. This leaves the City vulnerable to an elector petition for a ward boundary review and a possible appeal to the Ontario Municipal Board. Should this occur the decision on ward boundaries would be in the hands of the Board, not Council.

Background

The median number of households in a City of Toronto ward in 2010 is 23,252, while the median population is 58,776 (see Appendix A).

The major variations from the household and population medians are:

2010 Data	Median	Top 3 wards above median	Top 3 wards below median
Number of Households	23,252	Ward 27 (44,943 or 93.3%)	Ward 7 (16,133 or 30.6%)
		Ward 20 (37,425 or 61.0%)	Ward 9 (16,909 or 27.3%)
		Ward 23 (37,177 or 59.9%)	Ward 39 (17,136 or 26.3%)
Population	58,776	Ward 23 (88,840 or 51.2%)	Ward 29 (44,488 or 24.3%)
		Ward 42 (77,464 or 31.8%)	Ward 18 (18,517 or 21.8%)
		Ward 27 (81,871 or 39.3%)	Ward 9 (46,946 or 20.1%)

Based on Statistics Canada 2006 census data and information provided by the Planning Division on new residential unit completions for the years 2006 to 2009. The population projection is based on a factor of 2.5 persons per household, the same average ratio as in the 2006 census.

Implications

These inequities present a number of concerns:

- Some of the current deviations exceed the plus or minus 25 percent variance which is the benchmark for acceptable differences in electoral districts, as established by case law and Ontario Municipal Board decisions on ward boundary appeals. This threshold is also used by the Federal Electoral Boundary Commissions when they adjust the federal election boundaries every ten years (subsection 15(2) of the *Electoral Boundaries Readjustment Act*, R.S.C. 1985, c. E-3).
- It exposes the City to the risk that electors will submit a petition requesting Council to adjust the ward boundaries. Under the *City of Toronto Act, 2006*, a petition must be signed by 500 electors. If Council fails to pass a by-law within 90 days of receiving the petition, any of the electors who signed the petition may appeal to the Ontario Municipal Board. The Board may make an order to re-divide the City's wards. This would leave the decision in the hands of the Board, not Council.
- It places these Ward Councillors at a disadvantage in communicating with and representing a larger number of residents when compared to other Councillors.

Options

- A. To address these inequities, early in the next term of Council, Council could direct the City Manager and the City Clerk to undertake a City-wide ward boundary review, based upon principles and criteria established by Council.
- B. Council could choose to do nothing; but this would not address the inequities and exposes the City to the risk that electors may submit a petition.

Contact

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Ward Boundary Review Appendix A: Comparison of Population and Households by Ward

2006 Census Data					2006 Census Data + New Residential Unit Completions			
Ward	Households	% Difference from Median	Ward Population*	% Difference from Median	Estimated Households**	% Difference from Median	Estimated Population***	% Difference from Median2
1	17,465	-21.5%	59,830	6.3%	17,466	-24.9%	59,833	1.8%
2	18,140	-18.5%	53,660	-4.6%	18,749	-19.4%	55,195	-6.1%
3	19,040	-14.5%	50,415	-10.4%	19,133	-17.7%	50,649	-13.8%
4	20,535	-7.7%	53,275	-5.3%	21,186	-8.9%	54,916	-6.6%
5	23,750	6.7%	57,260	1.8%	28,284	21.6%	68,686	16.9%
6	26,240	17.9%	56,620	0.6%	27,378	17.7%	59,488	1.2%
7	15,615	-29.8%	49,165	-12.6%	16,133	-30.6%	50,470	-14.1%
8	16,670	-25.1%	47,895	-14.9%	17,186	-26.1%	49,195	-16.3%
9	16,105	-27.6%	44,920	-20.2%	16,909	-27.3%	46,946	-20.1%
10	24,170	8.6%	61,580	9.4%	24,643	6.0%	62,772	6.8%
11	23,255	4.5%	59,870	6.4%	23,978	3.1%	61,692	5.0%
12	19,555	-12.1%	53,755	-4.5%	19,786	-14.9%	54,337	-7.6%
13	22,595	1.5%	50,640	-10.0%	22,909	-1.5%	51,431	-12.5%
14	24,125	8.4%	50,640	-10.0%	24,567	5.7%	51,754	-11.9%
15	23,900	7.4%	60,545	7.6%	23,956	3.0%	60,686	3.2%
16	21,090	-5.3%	51,790	-8.0%	21,208	-8.8%	52,087	-11.4%
17	18,395	-17.4%	50,830	-9.7%	18,702	-19.6%	51,604	-12.2%
18	18,390	-17.4%	45,620	-18.9%	18,517	-20.4%	45,940	-21.8%
19	22,185	-0.3%	49,845	-11.4%	24,391	4.9%	55,404	-5.7%
20	31,060	39.5%	59,545	5.8%	37,425	61.0%	75,585	28.6%
21	21,530	-3.3%	47,085	-16.3%	21,786	-6.3%	47,730	-18.8%
22	32,875	47.7%	59,905	6.5%	34,038	46.4%	62,836	6.9%
23	33,445	50.3%	79,435	41.2%	37,177	59.9%	88,840	51.2%
24	21,935	-1.5%	58,805	4.5%	22,799	-1.9%	60,982	3.8%
25	22,230	-0.1%	55,420	-1.5%	23,046	-0.9%	57,476	-2.2%
26	23,390	5.1%	60,585	7.7%	23,987	3.2%	62,089	5.6%


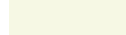
27	39,375	76.9%	67,840	20.6%	44,943	93.3%	81,871	39.3%
28	29,945	34.5%	58,920	4.7%	32,028	37.7%	64,169	9.2%
29	19,600	-11.9%	44,420	-21.1%	19,627	-15.6%	44,488	-24.3%
30	21,230	-4.6%	51,235	-9.0%	21,570	-7.2%	52,092	-11.4%
31	21,390	-3.9%	52,430	-6.8%	21,410	-7.9%	52,480	-10.7%
32	24,645	10.7%	55,410	-1.5%	24,945	7.3%	56,166	-4.4%
33	19,840	-10.9%	57,350	1.9%	20,100	-13.6%	58,005	-1.3%
34	22,580	1.4%	56,895	1.1%	22,850	-1.7%	57,575	-2.0%
35	21,290	-4.4%	56,750	0.8%	22,282	-4.2%	59,250	0.8%
36	20,030	-10.0%	51,390	-8.7%	20,431	-12.1%	52,401	-10.8%
37	22,220	-0.2%	62,325	10.8%	22,319	-4.0%	62,574	6.5%
38	22,850	2.7%	63,310	12.5%	24,943	7.3%	68,584	16.7%
39	16,850	-24.3%	54,545	-3.1%	17,136	-26.3%	55,266	-6.0%
40	21,975	-1.3%	61,140	8.6%	22,892	-1.5%	63,451	8.0%
41	19,415	-12.8%	67,325	19.6%	19,732	-15.1%	68,124	15.9%
42	20,720	-6.9%	74,075	31.6%	22,065	-5.1%	77,464	31.8%
43	18,955	-14.8%	53,480	-5.0%	19,115	-17.8%	53,883	-8.3%
44	18,790	-15.6%	58,235	3.5%	19,367	-16.7%	59,689	1.6%
Total	979,385		2,476,010		1,023,094		2,586,155	
Media n	22,259		56,273		23,252		58,776	

Source - Wards At A Glance - Produced by City Planning

* Population figure does not include approximately 27,000 institutional residents

** Figures include residential units completed between 2006 - 2009 (figures provided by City Planning)

*** Population figure estimate based on average of 2.5 individuals per unit

	Greater than 25% above median
	Greater than 25% below median

Employment Equity

Issue

To provide an update on the status of key Employment Equity initiatives.

Background

The City's Employment Equity Policy was established in 2000 to support appropriate representation of the four designated Employment Equity groups throughout the workforce.

Implications

The City of Toronto is committed to fairness and full equity in employment and services in recognition of its obligations and responsibilities as an employer and leader in the community. The Toronto Public Service (TPS) recognizes the business imperative to attract and retain a skilled workforce that reflects the communities it serves in order to continue delivering high quality service and programs that meet the needs of a diverse metropolitan area.

Current Status and Next Steps

Workforce Survey

A key component of the City's Employment Equity policy is the requirement to conduct voluntary employment equity surveys to support the implementation of the policy with the overall goal of achieving a workforce that reflects the community that is served.

Workforce data provides a benchmark from which the City can track representation of designated group members over time. The data is used to develop and implement programs and activities to close gaps between representation in the workforce and the availability estimates.

The first post-amalgamation TPS workforce survey was implemented between 2003-2005. The response rate to this survey at 33.1% fell far below the TPS benchmark of 80% rendering the interpretation of the data unreliable. The benchmark was adopted by the TPS based on the response rate recommended by the Canadian Human Rights Commission.

1. Non-union Workforce Survey

In 2007, the non-union workforce was re-surveyed, and through concerted efforts to educate the workforce and communicate the benefits to the organization of participating in the survey, the response rate increased to 75%. Results of this survey were reported out to Council in January, 2010.

2. Unionized Workforce Survey

Consultations with both L79 and L416 have been underway since 2009 to gain support for re-surveying the unionized workforce.

L416

- HR has had successful discussions with L416 on upcoming plans to re-survey the workforce (fall/winter 2010-2011)
- Following joint discussions on the survey document and proposed roll-out and communications strategy, L416 has indicated overall willingness to work with the City, lend their support to a new survey and encourage membership participation.

L79

- Discussions continue with L79 to gain their support to re-survey the workforce.

Other Programs and Initiatives Implemented to Support the TPS Employment Equity Strategy

The Employment Equity unit continues to support and market a number of corporate initiatives to assist the organization in meeting the goals of the TPS People Plan which includes diversity in hiring, and retaining a higher performing and diverse workforce.

- Diversity and Positive Workplace Strategy – adopted by Council in January, 2010
- Employment Equity Action Plan to support implementation of the Diversity & Positive Workplace Strategy
- Successful negotiations with L416 that resulted in Letter of Agreement to create a Joint Committee on Employment Equity
- Profession to Profession Mentoring Immigration Program
- Career Bridge Internship
- The Black African Canadian Employment Equity Pilot Project
- Executive Development Program

- Broadened Outreach Strategies
- Management accountabilities and performance indicators for annual Performance Planners

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Human Rights

Issue

The Ontario Human Rights Code requires the City in its role as an employer and service provider to ensure that employment practices and service provision are free from discrimination and harassment and to have internal processes to prevent and respond to human rights infringements.

Background

In 1998 Toronto City Council adopted a Human Rights and Anti-Harassment Policy and Complaint Procedures and established a Human Rights Office. The policy articulates the City's obligations set out in the Code and the procedures offer a range of effective internal dispute resolution processes for all City of Toronto employees, Members of Toronto City Council and the public (service recipients). The City's Human Rights Office administers the Human Rights and Anti-Harassment policy, managing a range of dispute resolution processes related to the:

- Ontario Human Rights Code
- Accessibility for Ontarians with Disabilities Act
- Occupational Health and Safety Amendment Act
- City's Hate Activity Policy
- Employment Accommodation Policy

Education, communication, policy development, advocacy, and the production of an Annual Human Rights Office Report are also undertaken by the Human Rights Office to advance a strong human rights culture in the Toronto Public Service.

Implications

The Ontario Human Rights Code was amended in June 2008, providing significant new powers to the Human Rights Tribunal of Ontario (HRTO) to adjudicate human rights complaints. Key Code amendments include free legal services for complainants, expanded monetary damages, disbanding the Commission's investigation function and providing direct access for all complainants to the HRTO. As a result of Code amendments, complaints to the Tribunal by City employees and service recipients more than doubled – from 18 in 2008 to 37 in 2009. This increasing trend is expected to continue at potential, considerable future cost to the City.

In response to Code amendments, in June 2008, Toronto City Council adopted a revised, City of Toronto Human Rights and Anti-Harassment Policy intended to strengthen the City's human rights approach so that employees and service recipients continue to use and have confidence in the City's cost-effective internal human rights processes.

In January 2010, the *Customer Service Standard of the Accessibility for Ontarians with Disabilities Act* came into effect. This standard requires accessible information and communications relating to the provision of goods and services. Additional standards related to Information and Communications, Employment, Public Transportation and Built Environment will come into effect in subsequent years. Monetary penalties for non-compliance are currently being considered. A complaints process required by the legislation is available through existing Complaint Procedures, administered by the Human Rights Office.

In June 2010 the *Occupational Health and Safety Amendment Act* came into effect, requiring employers to have programs, policies, procedures, information and instructions regarding non-Code harassment (unrelated to a prohibited ground of discrimination in the Ontario Human Rights Code) and violence. The City of Toronto was already positioned well with its current Human Rights and Anti-Harassment policy. Toronto City Council included a commitment to the prohibition of non-Code harassment in the City's Human Rights and Anti-Harassment policy and dispute resolution options, consistent with legislative requirements are available for all City employees.

While recent legislative amendments and increased use of Human Rights Office services have placed significant workload pressures on Human Rights Office Staff and others, the City's Auditor General, in his 2008 *Audit of the City's Performance in Achieving Access, Equity and Human Rights* recognized the City's pre-eminence in terms of dealing effectively with human rights issues. It should be noted that the mandate of the City's Human Rights Office is limited to City divisions and services and does not extend to the services or practices of the City's Agencies, Boards and Commissions (ABC's) who are separately responsible for their human rights policies, education training and complaint resolution processes. However, in order to facilitate a consistent human rights approach, in 2008, the Auditor General recommended and subsequently Toronto City Council directed the City's ABC's to:

1. develop and implement Human Rights and Anti-Harassment Policies and Complaint Procedures that are consistent with provisions in the City's Policy and Procedures; and

2. for the major ABC's to produce an Annual Human Rights Report for submission to Toronto City Council.

Current Status and Next Steps

The Human Rights Office will continue to focus efforts on effective, internal dispute resolution along with education, communications and advocacy to promote consistent human rights practices, advancing the City's strong human rights culture.

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Implementation of Standards under the Accessibility for Ontarians with Disabilities Act (AODA), 2005

Issue

The *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) proposes to achieve an accessible Ontario by 2025 through the implementation of five mandatory accessibility standards: Customer Service, Communications, Transportation, Employment and Built Environment. Compliance with the AODA aligns with the City's goal of becoming a barrier free city.

The first standard, Customer Service, came into effect on January 1, 2010. A draft standard on built environment has been released and the three remaining standards (information and communications, transportation and employment standards) will be integrated. The Ontario government is expected to introduce regulations in 2011 to give effect to these standards.

Administrative Monetary penalties will be imposed on individuals or organizations that do not comply with the AODA standards. In addition, the License Appeals Tribunal has been designated to hear appeals against orders issued to a person or organization for contravention of the legislation and standards.

Implementation of the AODA requirements is legislated. Due diligence is needed to achieve compliance to avoid the cost associated with defending claims brought under the legislation. The City is also responsible for ensuring that its agencies and third party contractors who deliver municipal services also achieve compliance.

Background

Prior to the enactment of the AODA, the Ontarians with Disabilities Act 2001 (ODA) established a requirement for the submission of an annual Accessibility Plan, first filed by the City in 2003. The City's Accessibility Plan reported on strategies to improve accessibility in policy, programs and service delivery.

AODA requirements differ from the ODA:

- Coverage has been extended to the private sector;
- Provides for the development, implementation and enforcement of standards;

- Targets are set to ensure that progress is being made to achieve the level of accessibility set out in the standard;
- Enforcement measures and penalties have been established for individuals and corporations; and
- Organizations are to file accessibility reports with the Province to determine compliance with standards.

A community based advisory committee, a component of both the ODA and AODA, must be established to advise on implementation. The City established a Disability Issues committee in 2000 in advance of any legislative requirement.

The Customer Service Standard, which has been effectively met, required the following:

- Establishing a corporate policy statement on accessible customer service;
- Delivering corporate and divisional training;
- Establishing a procedure for training requirements of third party contractors;
- Establishing a corporate feedback mechanism; and,
- Filing a compliance report with Province of Ontario by March 31 2010.

In August 2009, City Council adopted a corporate policy statement, "Statement of Commitment to Creating an Accessible City" consistent with the principles and standards under the AODA. This corporate policy statement guides the City in establishing administrative policies, practices and procedures for providing accessible services, programs and facilities, information and communications, employment, and for ensuring that buildings, structures and premises meet the standards for serving people with disabilities. The AODA covers Third party contractors delivering city services.

Implications

Implementation of AODA standards is a legislative requirement. There will be challenges with respect to meeting the requirements and costs of different standards within the timeframe set by the province.

The financial and human resources required for implementation must be considered during deliberations of the capital and operating budgets for City divisions as well as for City agencies.

Current Status and Next Steps

- City Council adopted a Statement of Commitment to creating an Accessible City.
- The compliance report for the Customer Service Standard was filed in March 2010.
- A corporate training program has been established, to complement the training provided to executives and division-specific training.
- Information has been provided to third party contractors.
- A Disability Issues Committee was established.

Next steps include:

- re-establishment of a Disability Issues Committee;
- review of the regulations when available;
- review of all practices for compliance with regulations;
- follow-up with City agencies to ensure that they are aware of obligations; and
- prepare for the filing of the annual Accessibility Plan Report under the ODA – due in September 2011.

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Development of an Urban Aboriginal Framework (UAF) for the City of Toronto

Issue

In July 2010, City Council adopted a *Statement of Commitment to Aboriginal communities in Toronto: Towards a Framework for Urban Aboriginal Relations in Toronto*. The goals outlined in the Statement of Commitment contribute to the recognition of a distinct Aboriginal identity and create a sense of “belonging”.

City Council’s Statement of Commitment sets out the parameters for the development of an Urban Aboriginal Framework (UAF). These parameters include consultation with Toronto’s Aboriginal community, formal discussions with other orders of government and a review of existing municipal services, programs, recognition activities and human resource strategies identified in Council’s Statement of Commitment (see *Implications* below).

This work program is not only urgent but significant too: urban Aboriginal communities in Toronto are growing; over half of the members of this community are under 25; the City has an opportunity to influence the renewal of the federal urban Aboriginal Strategy prior to the expiry of the current strategy in 2012. In addition, the Mississaugas of the New Credit First Nation who have recently settled their claim with the Crown, have given an indication of their desire to re-establish a presence in the City of Toronto, their original homeland, to enable them to better serve their members who also live and/or work in the City (see *Background* below).

This situation suggests the necessity of being pro-active.

Background

About half of the Aboriginal community, in Canada, live in urban areas, half of whom are under the age of 25. The 2006 Census reports that the Aboriginal population of Toronto is about 13,600. However, many researchers and service providers have observed that there is considerable “undercounting”. In 1999, the City’s Task Force on Community Access and Equity reported estimates of between 65,000 and 100,000 Aboriginal people living in Toronto. The Task Force report also noted that while some members of the Aboriginal community are permanent Toronto residents and are second and third generation residents, many also move back and forth between Toronto, their home reserves and communities and/or other cities across Canada.

Council adopted the 1999 Report of the Task Force on Community Access and Equity through which Council recognized the unique status and cultural diversity of aboriginal communities and their right to self-determination. Council also established a community advisory committee on Aboriginal Affairs, currently co-chaired by a Member of Council and a community member.

In 2003, City Council approved a Plan of Action for the Elimination of Racism and Discrimination and decided to develop a Toronto urban Aboriginal strategy and aboriginal office in accordance with the principle of Aboriginal self-determination in partnership with the Aboriginal communities and other orders of government.

In January 2010, the Government of Canada and the Mississaugas of the New Credit First Nation (MNC) announced the details of the settlement of a land claim known as "The Toronto Purchase", which was approved in a vote by members of the MNC in May 2010. The land claim was filed to provide redress regarding the terms of the compensation for land surrenders of 1787 and 1805 in which the MNC was paid 10 shillings.

Implications

The adoption of the Statement of Commitment:

- affirms Council's commitment to the principle of Aboriginal self determination;
- guides the City in its continuing relationship with the Toronto's Aboriginal communities, discussions with other municipalities and orders of government;
- informs all aspects of the Toronto Public Service's policy development, program planning and service delivery;
- commits to the establishment of mechanisms for full civic participation;
- includes recognition of the city's Aboriginal heritage;
- commits to establishing human resource strategies aimed at increasing the representation of Aboriginal people at all occupational levels of the Toronto Public Service; and
- commits to the development of an action plan.

Current Status and Next Steps

Action Plan Development

Planning is underway to report on the implementation of the Statement of Commitment. These activities include:

- review of the research results of studies by the Toronto Aboriginal Research Project (TARP) and Environics Institute;
- production of the report for distribution to participants in the consultation and research process for the Statement of Commitment;
- preparations for a community engagement process to consider the results of the research studies and to identify areas for municipal action; and
- discussion with other orders of government regarding federal and provincial urban Aboriginal strategies and participation in the upcoming federal urban Aboriginal Research Conference scheduled for February 23-25 in Toronto.

City Divisions have also been requested to demonstrate the history and presence of the Aboriginal community in the City such as the inclusion of Aboriginal history in planning for projects such as the Fort York visitor centre, the Ward Museum, the Waterfront park, etc.

Structure and Process for Consultation

The current Aboriginal Affairs committee provided valuable guidance on the consultation process for the Statement of Commitment.

Council decisions to be made include:

- Re-establishment of the Aboriginal Affairs Advisory Committee (AAAC).
- Involve the AAAC in a review of the Terms of Reference. In keeping with the principle of Aboriginal self-determination, consideration should be given to having a member of the Aboriginal community to chair the Committee.
- Appointment of Members of City Council to the AAAC.

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Inclusion of an Equity Analysis using an “equity lens” in staff reports to City Council

Issue

The City strives to achieve an inclusive city which values diversity and where every resident participates equitably in the City's social, economic, cultural and political life. To ensure equitable outcomes for all residents, all major strategic policy and program reports to City Council are required to include an equity analysis and an equity impact statement using the "equity lens".

Background

The “equity lens” is a tool being used by divisions to identify and address barriers when planning, developing and evaluating City policies, programs and services. The City’s “equity lens” was developed in 2005 through consultations held by the Roundtable on Access Equity and Human Rights.

In 2006, City Council approved a pilot project to use an “equity lens” in all reports submitted by the City Manager.

In 2009, application of the “equity lens” was expanded to all significant policy and program reports and requires that reports identify the equity issues that were considered and a summary of the analysis that was undertaken.

The “equity lens” consists of the following questions:

1. Have you determined if there are barriers faced by diverse groups? Which groups or populations? What is the impact of the policy/program on diverse groups?
2. How did you reduce or remove the barriers? What changes have you made to the policy/program/service so that diverse groups will benefit from it? What human and budgetary resources have been identified or allocated?
3. How will you measure the results of the policy/program to see if it works to successfully remove barriers or create opportunities for diverse groups/populations?

Since its introduction in 2006, training on the “equity lens” has been offered at a corporate level and to divisions.

Implications

In a city with a population as diverse as Toronto where residents and communities continue to face barriers and experience disadvantage, it is a sound policy and program practice to integrate an equity analysis as a routine method of business practice.

Application of the “equity lens” is a useful tool for implementing Council approved policies and programs on access, equity and human rights and to address barriers faced by residents.

Current Status and Next Steps

The City Manager’s Office uses the Agenda Forecasting System for Council and Committee reports to identify strategic policy and program reports that require an equity analysis. A more formalized tracking system will be developed to follow up with divisions.

Report writers are contacted and informed of the need for an equity analysis and are offered support in preparing and/or reviewing the analysis by the City Manager's Office.

Ongoing training and presentations on the “equity lens” will be provided to City Divisions and policy staff.

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Using Indicators in Corporate Status Reports to Measure Progress on Access, Equity and Human Rights (AEHR) Achievements

Issue

The City Manager provides regular status reports to Council on the City's achievements on access equity and human rights (AEHR). Indicators are being used to track the progress and are based on quantitative and qualitative data provided by divisions.

Background

City Council requires the submission of regular status reports on the implementation of access, equity and human rights as recommended by Council's Task Force on Community Access and Equity in 1999.

The first two status reports focused on the implementation of the 97 recommendations contained in this report. This reporting system was modified to require that the status reports be based on the implementation of action plans prepared by city divisions.

A template for the submission of divisional action plans was based on the strategic directions set out in the Plan of Action for the Elimination of Racism and Discrimination adopted by Council in 2003. They were: leadership, advocacy, economic participation, public education and awareness, service delivery, building strong communities and accountability.

During consideration of the 2007-2008 implementation report, Council directed that future status reports be modeled after the benchmarking performance report of the Ontario Municipal CAOs' Benchmarking Initiatives (OMBI) and include quantitative results where available.

The Status Report on 2008 achievements used 92 indicators to measure progress on AEHR implementation. Indicators were presented in four broad service areas:

1. City as an employer.
2. Leadership, governance and building community capacity.
3. Economic participation.
4. Community programs and service delivery.

The following three status/service/activity levels assess year-to-year results:

1. Improved results/Increased – Results have improved or increased from previous year.
2. Stable – Level has not changed significantly from the previous year.
3. Action required – Level has decreased, program needs improvement or no data are available.

Divisions are requested to address program areas that require action and provide updates in the next report to Council.

Implications

The use of AEHR indicators identifies where the City performs well and where improvement can be made in serving the diverse residents and communities in the City.

For example, the report on 2008 accomplishments showed increased or stable results for 79.3 per cent of the indicators and that action was required for 20.7 per cent.

These indicators illustrate where the City is making progress and where specific interventions are required.

Current Status and Next Steps

In 2010, Council adopted the Status Report on 2009 achievements. New indicators were added increasing the total to one hundred and ten (110).

Results showed increased or stable levels of activity in 87.3 per cent of the indicators while 12.7 percent required action. This is an overall improvement over 2008 where action was required for 20.7 per cent of the indicators.

Council directed Division Heads to continue to address areas requiring action and requested the City Manager to report on employment equity implementation with timelines for further reports and action strategies.

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Strategic Workforce Planning: Employee Eligibility for Retirement 2010 - 2015

Issue

Organizations globally are aware they need to prepare for the approaching retirements of baby boomers and the impact that surge will have on the ability to recruit highly skilled, high performing employees. Although a certain amount of attrition in any organization is healthy and appropriate, we project that the expected retirement and turnover rates will be significant in the next five to fifteen years. To overcome the risk of not being prepared for the loss of critical staff, the City will need to invest significantly in key components of the Toronto Public Service People Plan 2008-2011.

This briefing note highlights where there are high percentages of City staff "likely to retire"¹ between the years 2010 – 2015 and uses data current as of May 2010.

Note: an employee's decision to retire is completely voluntary. The City has no control over when employees retire, where the retirement gaps may appear across Divisions impacting service delivery at random, or over the numbers of employees who choose to retire. More employees (in some areas more women than men) who are approaching or even exceeding age 65 are choosing to remain at work rather than retire.

Background

"Likely to Retire" Rates for the period 2010-2015: Emerging Trends

- A. General Observations for All Permanent Employees
 - i. The City's total permanent workforce is 21,018 employees; 27% will be eligible to retire by the end of 2015
 - ii. From 2010 – 2015, the number of permanent employees likely to retire will grow from 1,796 in 2010 to 5,739 by 2015 (an additional 3,943 staff). This is almost 19% of the City's total permanent workforce of 21,018

¹ "Likely to retire" – these are employees who have an unreduced pension (i.e. no penalty upon retirement, but less than the maximum pension) or who have a full pension (i.e. the maximum pension which is 70% of their best five years of service).

- iii. There could be 790 employees in each of the next 5 years moving into the "likely to retire" category for the entire Toronto Public Service. The 2014-2015 period is when the greatest number of "likely to retire" employees could potentially leave the organization.
- iv. The highest risk group is non-union employees. From 2010-2015:
 - the number of employees "likely to retire" will increase slightly faster among permanent non-union employees (by 813 people or 23%) compared with permanent union employees (by 3,130 or 18%)
 - we expect the number of all employees likely to retire will more than triple. This trend is similar for union and non-union staff; however, it will occur at a faster pace within the non-union group
- v. Because of its vulnerability, the senior manager group deserves special "recruitment/retention" attention. For succession management purposes, it is important to remember that all levels of management are able to retire at almost the same time making replacement from within difficult.
- vi. Attention should be paid to the L416 group which, during 2010-2015, shows the largest increase, growing at the fastest rate, of employees eligible to retire. Again, the City may be challenged to redeploy and/or replace L416 employees.
- vii. The City may need to more fully address mature workforce issues and associated workplace injury rates as many L416 and some L79 workers undertake physically demanding jobs requiring, for example, heavy lifting over extended periods of time.

B. Non-Unionized Employees

- i. Slightly more than 50% of all senior managers (directors and above) will be eligible to retire by 2015; this is 96 out of 187 employees
- ii. 1/3 of the managers and supervisors category will be eligible to retire by 2015; this is 1,007 out of 3,154 employees.

- iii. Supervisors and managers are rapidly catching up to the senior levels in being able to retire. This reduces even faster the City's ability to replace directors and above through internal competitions.

C. Unionized Employees

- i. About 30% of the Trades group, Local 416 and Firefighters are eligible to retire by the end of 2015.
- ii. About 23% of L79 full time employees are eligible to retire by the end of 2015.
- iii. The biggest increase in the "eligible to retire" category during 2010 – 2015 is with L416 employees and Firefighters. However, it's with the L79 full time and L416 groups where this increase is growing the fastest.

Current Status and Next Steps

More workforce analysis should be done to identify priorities and greatest risks, knowing that there probably is an acceptable level of attrition due to retirements. Effective use of a targeted attrition strategy and workforce planning could be used to meet budget challenges.

Once priority areas are identified, action plans to manage risks should be established which draw upon existing programs such as: executive development, succession management, e-learning initiatives, analysis of critical/vulnerable positions that significantly affect the delivery of core services , recruitment and knowledge retention strategies, job family and mature workforce analyses.

The City may want to review its current recruitment policies to address some of the coming recruitment challenges by considering for example: re-hiring of retirees, including unionized employees, for critical/vulnerable positions; more aggressively tapping the pool of internationally trained professionals and/or partnering with schools for targeted recruitment initiatives.

As part of the TPS People Plan, divisions have been tasked to develop their divisional People Plans to integrate workforce analysis with recruitment and succession management strategies, among others, to support their business directions. This work should be encouraged and supported.

While the economy appears to have slowed down current retirement rates, the impending exodus by boomers continues to pose a significant risk for the City. Therefore, the City needs to continue to focus on the implications of significant levels of retirements for:

- the ability of the City to continue to maintain 2010 service levels
- the resulting shock wave to the culture of the organization and
- the challenges of keeping staff engaged and high performing in such an environment.

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Labour Relations and Collective Bargaining

Issues

This briefing note contains information on three main issues related to Labour Relations and Collective Bargaining, each with its own background, implications and next steps. Issues include:

1. Six of the City's seven collective agreements, with three unions representing approximately 30,000 employees, expire at the end of next year [December 31, 2011]. As a result, no later than the Fall of 2011 the collective bargaining mandate for the City's bargaining teams must be established, including any provision for salary increases in 2012 and beyond.
2. The seventh collective agreement, with the Toronto Professional Fire Fighters' Association, expired on December 31, 2009. Since the parties were unable to reach a negotiated agreement, issues in dispute are being sent to an interest arbitration process in which an arbitration board will decide all issues, including a number of monetary matters, remaining in dispute.
3. The Canadian Union of Public Employees ("CUPE") Local 79 has an application before the Ontario Labour Relations Board in which it is seeking to become certified as the sole bargaining agent for the City's full-time and part-time security officer staff who are currently non-union employees.

Background

1. The City has a workforce of approximately 36,200 (including part time staff). 88% of the workforce (approximately 32,100 employees) is represented by unions including the Toronto Professional Fire Fighters Association, Local 3888 (3,000 members); CUPE, Local 79 (23,200 members; in four bargaining units each with its own collective agreement); Toronto Civic Employees Union, Local 416 -CUPE (5,600 members) and CUPE, Local 2998 (300 members).

Post amalgamation, the labour relations atmosphere in the City with CUPE Locals 79 and 416 was very adversarial with mistrust on both sides and very little joint effort being put toward changing the relationship. Although the relationships have improved somewhat since that time, labour disruptions/strikes occurred with both Locals 79

and 416 during negotiations in 2002 (resulting in collective agreements being determined by a third party at mediation/arbitration) and again in 2009 (resulting in negotiated collective agreements after a lengthy 39-day strike).

CUPE, Local 2998 is a relatively small bargaining unit representing the full-time and part-time employees at the ten community centres, which as a group are members of the Association of Community Centres (AOCCs). Although the most recent negotiations were protracted, all collective agreements with Local 2998 have been reached without a strike.

The City's bargaining teams' mandates are established, and revised as is necessary, by the Employee and Relations Committee in closed session. All tentative collective agreements reached during negotiations must be approved by Council.

2. In negotiations with the Fire Fighters Association, the parties are governed by the Fire Protection and Promotion Act which states that there shall be no strike or lockout. In the event the City and the Association are unable to reach agreement either party can refer the outstanding issues to Interest Arbitration before a Board of Arbitration. Following amalgamation, the first collective agreement was decided by a Board of Arbitration. Two subsequent agreements were negotiated. However, in 2010 the parties find themselves in interest arbitration again having been unable to reach a negotiated collective agreement.
3. The security guards are not represented by any of these unions currently as they are non-union employees. The CUPE Local 79 certification application to the Ontario Labour Relations Board was filed on May 14, 2007 but, due to a number of factors, the hearings into this application have not yet concluded and, therefore, no decision has been rendered.

Implications

1. The amount of the annual total compensation (salary and benefit costs combined) for 2010 for the City Of Toronto's unionized employees, within the Toronto Public Service [those employees represented by CUPE Locals 79, 416 and 2998 plus the Fire Fighters Association as noted above], is approximately \$1.73 billion. The salary and benefit costs of those unionized employees represent approximately 19% of the City of Toronto's overall operating budget. As a result, any salary increase or increase in the cost of negotiated benefits will have an

impact on the overall City budget and the budget of each and every division. The significance of this impact will be determined by the magnitude of any salary increase or any enhancements to the negotiated benefit plans and any other monetary-related provisions in the agreements.

2. The salary and negotiated benefit cost increases, for employees in the Fire Fighters Association, awarded at the upcoming interest arbitration will form part of the costs referenced in the preceding paragraph. In addition, if the arbitration board awards salary increases beyond 2010 such increases could arguably start to form the pattern for future salary increases within the City, including its agencies, boards and commissions. For example, it has been argued that Toronto Fire and Toronto Police salary increases often parallel one another so salary increases in one may set the precedent for, or influence, the other.
3. In the event that CUPE Local 79 is successful in its application to certify the security guards, there would be the potential of up to approximately 120 additional unionized employees represented in two additional bargaining units (a full-time and a part-time unit). Such a result may also create a potential for conflict of interest in that a number of these guards provide security on City property, including at the civic centres, and therefore could have the occasion to deal with security matters, and investigate incidents, involving other employees who could also be represented by Local 79.

Current Status and Next Steps

1. Collective Agreements are in place for all six existing CUPE bargaining units until December 31, 2011. Those agreements include salary increases (1.75% for 2009; 2.0% for 2010; and 2.25% for 2011) which continue to be less than salary increases throughout the broader public sector in Ontario settled subsequent to when the City's agreements were reached in July, 2009. The agreements provide for no net increases in benefits. In addition, the Sick Leave Plan was replaced with a Short Term Disability Plan thereby containing and reducing the sick leave liability through payouts, freezes and grandfathering options for existing sick leave.

No later than the Fall of 2011, the mandate (relating to salaries and other provisions of the agreements) for the City's negotiating teams must be established by the Employee and Labour Relations Committee for the upcoming bargaining to renew the current six CUPE agreements. The results of the existing discussions at the provincial

level and the efforts of the Government of Ontario to "negotiate" two years of 0% increases for unionized broader public sector employees, if successful, may provide a pattern for the municipal sector. However the municipal sector is not covered by Bill 16 [which provides for two years of no increases for non-union employees] or governed by these discussions with unionized employees (except possibly, and with the exception of certain municipal employees in Public Health or Long-Term Care and Homes and Services).

2. In the Fire Services negotiation, following Conciliation the outstanding issues have been referred to an Interest Arbitration Board. The nominees on that Board are in the process of selecting a mutually agreeable Chairperson. It is anticipated that interest arbitration is not likely to be scheduled and completed into the 2011 time period.
3. Further Ontario Labour Relations Board hearings on Local 79's certification application for the security guards have been scheduled. Once the Board reaches its decision, in the event certification is granted for all or part of the security guard group then negotiations will have to commence to establish negotiated first collective agreement(s) with Local 79 for the bargaining unit(s).

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City of Toronto: Collective Agreements and Collective Bargaining

Issue

The City of Toronto and a number of its major agencies and corporations each have one or more collective agreements with various bargaining agents (Unions).

The collective agreements that are in place provide for different terms and conditions of employment including salaries, benefits, hours of work etc. The City and its major agencies and corporations have numerous collective agreements, as negotiated, that provide for salary increases, cover various different contractual time periods and have different or varying term lengths.

Background

The following charts summarize the organization, the bargaining agent(s), the length and term of each collective agreement plus the salary increases for 2009 onwards during each year of the term of the current collective agreements for the City and a number of its major agencies and corporations.

For the collective agreements identified in the first chart, the Employee & Labour Relations Committee of City Council establishes the mandate for the City's bargaining team and City Council itself must approve any tentative collective agreement reached at the negotiations.

The City of Toronto collective agreements for the Toronto Public Service are negotiated by staff in the Employee & Labour Relations Section of the Human Resources Division along with a number of representative cross-organizational management staff from the divisions impacted by the collective agreement being bargained.

The collective agreements with the City agencies and corporations are bargained, as identified in the second chart, by the staff of the respective body with their collective bargaining mandates and strategic directions established by the applicable board or commission.

Terms and Wage Increases: City of Toronto and Agencies and Corporations

Collective Agreements negotiated by the City of Toronto's Human Resources Division	TERM OF THE CONTRACT	2009	2010	2011	2012	2013
City of Toronto (Inside Workers) CUPE Local 79 (4 collective agreements) Expires: December 31, 2011	3 year January 1, 2009 – December 31, 2011	1.75%	2.0%	2.25%		
City of Toronto (Outside Workers TCEU Local 416 Expires: December 31, 2011	3 year January 1, 2009 – December 31, 2011	1.75%	2.0%	2.25%		
City of Toronto Association of Community Centres CUPE Local 2998 Expires: December 31, 2011	3 year January 1, 2009 – December 31, 2011	1.75%	2.0%	2.25%		
City of Toronto Toronto Professional Fire Fighters' Association Local 3888 Expired: December 31, 2009	January 1, 2010 – To be Determined	Increase under previous collective agreement	At Interest Arbitration			

Negotiated by Agencies	TERM OF THE CONTRACT	2009	2010	2011	2012	2013
Toronto Exhibition Place CUPE Local 2840 Expires: December 31, 2012	4 year January 1, 2009 – December 31, 2012	1.5%	2%	2%	2%	
Toronto Library CUPE Local 4948 Expires: December 31, 2011	3 year January 1, 2009 – December 31, 2011	1.75%	2.0%	2.25%		
Toronto Parking Authority Outside Workers TCEU Local 416 Expires: March 31, 2013	5 year April 1, 2008 – March 31, 2013	3.0%	3.0%	3.0%	3.25%	
Toronto Police Services Board Toronto Police Association Expires: December 31, 2010	3 year January 1, 2008 - December 31, 2010	3.445%	3.16%			

Toronto Transit Commission ATU Local 113 Expires: March 31, 2011	3 year April 1, 2008 - March 31, 2011	3.0%	3.0%			
Toronto Zoo CUPE Local 1600 Expires: March 31, 2013	3 year April 1, 2010 - March 31, 2013	Increase under previous collective agreement	1.0%	2.25%	1.75%	

Negotiated by Corporations	TERM OF THE CONTRACT	2009	2010	2011	2012	2013
Toronto Community Housing Corporation Inside and Outside Workers CUPE Local 79 and TCEU Local 416 Expires: December 31, 2011	3 year January 1, 2009 – December 31, 2011	3.0%	3.0%	3.0%		
Toronto Hydro CUPE Local One Expires: March 31, 2014	5 year April 1, 2009 – March 31, 2014	3.0%	3.0%	3.0%	3.0%	3.0%

Implications

City Council has direct input into and has to approve the results of negotiations in respect of the collective agreements affecting the City of Toronto. Collective agreements between the City and the Unions it negotiates with are in place until the end of 2011, with the exception of the agreement with the Toronto Professional Fire Fighters' Association which expired at the end of 2009 and has now been referred to interest arbitration.

The City's agencies and corporations undertake their own negotiations. Current collective agreements for these bodies vary in their length. Although some of the City's agencies and corporations collective agreements have the same expiry date as those of the City (the end of 2011), a number of the agreements extend beyond 2011 into 2012, 2013 or early 2014. The collective agreements with the Toronto Police Services Board and the Toronto Transit Commission expire at the end of the current year or in early 2011. As a result, these bodies will be bargaining in late 2010 or in early 2011.

To varying degrees, the settlements reached with the City's agencies and corporations impact on the City settlements and vice versa. This potential for impact is greater if there is a settlement "higher than the current norm" which may be used by the Unions to argue for those same higher increases in later settlements with the City or its agencies and corporations. Earlier settlements can have an impact on later settlements. The varying end dates and varying bodies/organizations which establish the mandates and approve any negotiated settlements, contribute to this potential impact.

Current Status and Next Steps

The City's agencies and corporations will be establishing their negotiation mandates and conducting negotiations, as their collective agreements expire. The parties in the negotiations between the City of Toronto and the Toronto Professional Fire Fighters' Association are proceeding to interest arbitration with the decision of the arbitration board on the term and the terms to be included in that Collective Agreement not anticipated until into 2011. In 2011, preparations will begin, and a mandate will be sought, for negotiations between the City of Toronto and the three CUPE union locals representing the inside, outside and community centre employees covered by a total of six collective agreements, all of which expire at the end of 2011.

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Contracting Out Provisions in Collective Agreements

Issue

- Q1. (a) Can the City of Toronto contract out work which is performed by members of Local 79 or Local 416?
- (b) If yes, are there any restrictions to contracting out such work?
- Q2. What notice, if any, time lines and processes are required to contract out such work?
- Q3. Can the City of Toronto contract out work which is performed by members of Local 3888 or Local 2998 or non-union employees? If yes, are there any restrictions to contracting out such work?

Key Points

Q.1 -- Local 79 (Full-Time) and Local 416 – Employment Security Conditions

- a) Yes, the City can contract out work that is performed by members of Local 79 and Local 416 provided the City complies with the employment security conditions of the Collective Agreements with Local 79 (Full-Time Agreement) and Local 416 as referenced in (b) below.
- b) The Collective Agreements with Local 79 (Full-Time Agreement) and Local 416 provide for the following employment security for permanent employees only:
- That no contracting out or privatization of bargaining unit work will result in permanent employees with ten (10) or more years of seniority losing their employment;
 - That no new contracting out of work of the bargaining unit will result directly or indirectly in the layoff or loss of employment of permanent employees;
 - That any permanent employee who is displaced as a result of contracting out or privatization is entitled to be redeployed in accordance with the terms and conditions of the re-deployment process contained in the collective agreements.

- Redeployment includes placement into vacant positions. There is also a training obligation when it is determined the employee can become capable of performing the duties within a reasonable timeframe. For employees in Local 416, redeployment also includes the right to bump more junior employees if the displaced permanent employee is qualified to perform the duties.
- When redeployment rights are exhausted, permanent employees are also entitled to bumping rights under the Layoff provisions of the collective agreements.

Part-Time Employees in Local 79 (covered by the three other Collective Agreements):

There are no similar provisions for employees covered by the three other Collective Agreements (Unit B – Part-Time; Long-Term Care Homes and Services – Part-Time; and Recreation Workers – Part-Time) with Local 79. Although these three Part-Time Collective Agreements include one of the same provisions as the Full-Time Agreement [that “no new contracting out of work of the bargaining unit will result directly or indirectly in the layoff or loss of employment of permanent employees”], there are no employees within these three bargaining units who are defined as “permanent” employees. As a result, this language has no real application to members of Local 79 in the three part-time bargaining units. Also, there are no provisions for redeployment within these three Part-Time Collective Agreements with Local 79.

Q. 2 -- Local 79 ONLY – Notice, Time Lines, Process

The City must, where practicable, provide eighty (80) calendar days’ notice to Local 79 if contracting out any work now performed by employees. The identical language is included in the three other Collective Agreements (Unit B – Part-Time; Long-Term Care Homes and Services – Part-Time; and Recreation Workers – Part-Time) with Local 79 such that the following provisions in respect of notice of contracting out would be equally applicable to employees covered by the three Part-Time Agreements:

- Even if no employee will lose their employment or be laid off, notice is required if the work is now performed by employees in Local 79.
- Where practicable, the City must give Local 79 eighty (80) calendar days’ written notice

- If eighty calendar days' notice is not given then the City must be able to demonstrate that it is not practical to give the notice.
- The notice must include an invitation from the Division involved to meet with the Union within ten (10) working days following the notice.
- The Division involved also must provide all pertinent information to the Union, at its request, to enable it to make a submission to the Division involved or the appropriate Committee of Council. This information would include labour and equipment costs and any relevant budget information or cost analysis that has been done. It would also include the reasons that led to the decision to contract out or recommend contracting out.

Q. 2 -- Local 416 ONLY – Notice, Time Lines, Process

The City must provide three (3) months' notice to Local 416 in advance of any additional contracting out of work, other than work that is presently contracted out. In other words, notice is not required for work which is already being contracted out.

- Even if no employee will lose their employment or be laid off, notice is required if the work is not already being contracted out.
- The 3 months' notice must take into consideration that the Union is entitled to the opportunity to provide a complete submission to the Division Head and the applicable Committee of Council to argue why the work should remain in-house.
- A meeting with the Union is to be set up within 5 working days of the delivery of the written notification to the Union of the intent to contract out or privatize the work.
- The Division involved also must provide all pertinent information to the Union to enable it to make a submission to the Division Head involved or the appropriate Committee of Council. This information would include labour and equipment costs and any relevant budget information or cost analysis that has been done. It would also include the reasons that led to the decision to contract out or recommend contracting out.
- The Union is entitled to a minimum of 45 days from the date the City provides them with the pertinent information to prepare the submission. Hence, the notice time frames must allow for this.

**Local 416 -- NOTICE OF CONTRACTING OUT FOR WORK NOT
ALREADY CONTRACTED OUT**

Timeline	Action	Information Required
Day 1	Division to send Written Notice to Union of intention to contract out	Letter to include date and time of meeting to discuss the intent to contract out
Day 6 (5 days after Written Notice)	Division and ELR Representative to meet with Union	Division to identify "work" and reasons for contracting out; Division to provide all information to the Union, including costs and any other pertinent information
Day 51 (45 days after Meeting)	If Union chooses to make a submission to the Division Head or appropriate Committee of Council, it must do so within 45 days of receiving all pertinent information	(All information previously provided by City at Day 6 Meeting)
Day 93 (or 3 months from date of Written Notice)	No Decision to contract out work can be made before the end of the 3 month notice period. In addition, where Council approval is being sought for any work to be contracted out, the Division must provide the 3 months notice in sufficient time for all of the above timeframes to be met before the Council meeting at which time the contracting out will be considered/decided.	

Q.3 -- Local 3888, Local 2998 and Non-Union – Employment Security Conditions

a) Local 3888:

Contracting out is covered by Article 47 of the Collective Agreement with Local 3888 which provides that: “Except to the extent and to the degree agreed upon by the parties, and except in the case of an emergency, no work customarily performed by an employee covered by this Agreement shall be performed by another employee of the City who is not covered by this Agreement or by a person who is not an employee of the City.”

b) Local 2998:

There are no restrictions on contracting out in the AOCC’s under the provisions of the Collective Agreement.

c) Non-Union:

There are no prohibitions against contracting out in respect of non-union positions.

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Non-Union Management Associations

Issues

This briefing note contains information on three main issues related to Non-Union Management Associations, each with its own background, implications and next steps. Issues include:

1. The City currently works with the City of Toronto Administrative Professional Supervisory Association ("COTAPSA") in its capacity as a non-union association with a number of the City's non-union employees forming COTAPSA's membership base. COTAPSA has recently been advocating for the creation of, or reestablishment of, what it refers to as a "Framework Agreement" in order to formalize at least some of the terms and condition of employment for non-union employees.
2. The City of Toronto's non-union employees are currently in the midst of what has been referred to as an "organizing initiative" by an organization calling themselves the "Toronto Municipal Professionals" ("TMP") who are "affiliated" with the Society of Energy Professionals ("SEP") which is a trade union.
3. The City is the subject of an *Employment Standards Act* ("ESA") Complaint which has been filed by COTAPSA on behalf of its eligible members. Those members in question are the non-union employees who were impacted by the City Council's decision at its meeting on April 29 and 30, 2009 to amend the non-union compensation policy.

Background

1. The City has a workforce of approximately 36,200 (including part-time employees). 11% of this workforce (approximately 4,100 employees) is not represented by unions. Although a number of these non-union employees have voluntarily become a member of COTAPSA, there remain a significant number of these non-union employees who have no affiliation.

Prior to amalgamation, there was a 19 page Consolidated Memorandum of Understanding between the former City of Toronto and COTAPSA. The Memorandum covered a number of subjects traditionally found within a terms and conditions of employment document, including terms and conditions that might be found in a

collective agreement. City Council, at its meeting in June 1998, terminated the Memorandum in a decision that was subsequently upheld in the courts after a challenge from COTAPSA.

2. In January, 2010 SEP advised the City that they were commencing a campaign to become the certified bargaining agent on behalf of the City's non-union administrative, supervisory and professional personnel. Prior to that date SEP had met with COTAPSA which declined a SEP proposal to pursue a strategic alliance and enhance and develop the relationship between the two organizations. Other than initial communication in January/February, 2010 there has been limited direct communication between the City and SEP.

Communication by these organizations directly with the City's non-union employees indicates that the lead role in this initiative is now being handled by a group known as the Toronto Municipal Professionals.

3. In April, 2009 City Council amended the non-union compensation policy by: setting the cost of living adjustments for 2009 and 2010 as 0% and 1%, respectively; and cancelling the re-earnable performance-based lump-sum payments in 2009 and 2010 for non-union employees who have reached their respective maximum salary (job rate).

Implications

1. Following the 1998 decision of council, COTAPSA was no longer recognized by the City of Toronto as the agent for its members. Notwithstanding this result, the City has not been opposed to non-union/management employees belonging to a voluntary association; however, since 1998 the City of Toronto has never agreed to negotiate terms and conditions of employment with COTAPSA and instead has continued with a common law relationship between the employer and the employee. Since amalgamation, the City administrators have developed a meaningful consultation, dialogue and input process with COTAPSA on various employment policy issues.
2. The *Ontario Labour Relations Act* provides for a process whereby a trade union can apply to be certified to represent employees as the exclusive bargaining agent of all the employees in a bargaining unit determined by the Board to be appropriate. The process by which that occurs is set out in the Act. The Act also prohibits the employer from interfering with a trade union, including in the formation of a trade union.

3. In response to the City Council's April, 2009 amendment to the non-union compensation policy, COTAPSA has filed an ESA complaint on behalf of eligible non-union employees who did not receive their re-earnable performance pay lump sum payment for work completed in 2008 in accordance with the City policy. In essence, the ESA complaint is that the employees completed their work in 2008 on the understanding that if they achieved their objectives then they would receive the pay increase provided for in the original compensation policy. It is argued that having done the work under a certain understanding, the City changed the rules after the fact (after the work was done) thereby removing the payment for the work already done. An ESA complaint is the same response that COTAPSA took, in 2003, at the time that Council last sought to impose wage controls for non-union employees.

Current Status and Next Steps

1. COTAPSA has recently been pursuing the concept of establishing a "Framework Agreement" with the City. A motion at the February, 2010 Council Meeting which proposed that discussions commence with COTAPSA with the goal of establishing a framework agreement regarding all terms and conditions of employment for non-unionized employees was referred to staff to report to the Employee and Labour Relations Committee. The report which was made at the May, 2010 Committee meeting did not result in any recommendations being passed by the Committee when it met to consider the report at its June, 2010 meeting. COTAPSA continues to state that its goal is to achieve a Framework Agreement with the City.
2. At this point in time, it is less than clear as to what the ultimate objective or end goal of TMP is in terms of its current activities as they might relate to becoming certified under the provisions of the Ontario *Labour Relations Act*. TMP does have an affiliation agreement with SEP. TMP's stated objectives include: representing non-union employees in all aspects of their labour relations with the City; negotiating and administering "an enforceable agreement" with the City governing the terms and conditions of employment; and maintaining and improving such terms and conditions of employment.
3. The ESA complaint was filed in October, 2009. An ESA Officer was appointed in July, 2010 and he is currently reviewing the claimants' information.

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Fair Wage Policy: Application and Labour Trade Requirements on City Contracts

Issue

The City requires companies awarded City contracts to meet the requirements of the:

1. Fair Wage Policy, Municipal Code Chapter 67; and
2. Labour Trade Contractual Obligations in the Construction Industry.

Background

Fair Wage Policy

- The City of Toronto first adopted its Fair Wage Policy in 1893. The Policy covers goods, services and different construction sectors: Industrial, Commercial, Institutional (ICI) work; road building, sewer water main construction; heavy construction; utility work and a general classification.
- Following the establishment of Metropolitan Toronto in 1954, the City's Fair Wage Policy applied to Metropolitan Toronto.
- Former Cities of Metro Toronto also applied a fair wage policy in varying degrees.
- Provincial, Federal and numerous local governments also require companies that want to contract for public works are required to pay their workers a wage rate that reflects wages commonly prevailing in a particular geographic area.

The objectives of the Fair Wage Policy are to:

1. Produce stable labour relations with minimal disruption;
 2. Establish a balanced compromise between wage differentials of organized and unorganized labour;
 3. Create a level playing field in competition for City work;
 4. Set common minimum standards in the workplace that contractors must meet;
 5. Protect the public and guard workers from exploitation; and
 6. Enhance the reputation of the City for fair and ethical business dealing.
- The Fair Wage Policy provides wage protection for workers while working on City contracts. The competition to perform work for the City is often significant, which creates the risk that contractors and sub-contractors would reduce costs (and their bids) by cutting

employee wages or paying workers at wage rates that are below market value of the work.

- The Fair Wage Policy addresses this concern by requiring contractors to pay workers in accordance with City Council approved Fair Wage schedules.
- The Policy not only protects workers, but it levels the playing field for contractors; i.e., aggressive contractors are not able to win City contracts by paying workers less than the value of the work assigned and as prescribed by the Fair Wage schedules.
- Fair Wage schedules are updated and recommended to City Council for approval every three years, based on discussions and endorsement by employee and employer groups, associations, construction unions, organizations and City operating divisions.
- The City's current fair wage schedules have remained unchanged since 2003/2004.
- Fair Wage rates do not apply to small businesses, typically those with owner-operators, or partnerships, or principals of companies as long as they undertake the work themselves.

Labour Trade Contractual Obligations in the Construction Industry

- Prior to 1998 amalgamation, both the former City of Toronto and former Municipality of Metro Toronto were certified under the *Labour Relations Act* by various construction trade unions.
- The former City was certified by eight different construction trades: asbestos workers, bricklayers, carpenters, electricians, glaziers, painters, plumbers and sheet metal workers.
- Former Metro was also certified by the bricklayers, carpenters, electricians and plumbers.
- Most of the above certifications date back to the early 1980's.
- Pursuant to the *Public Sector Labour Relation Transition Act 1997, (Bill 136)* the rights of the construction trades unions flowed through to the amalgamated City of Toronto.
- The Labour Trades' contractual obligations are a reflection of the City's legal obligations to the nine construction unions that are certified with the City, representing: Asbestos/Insulators, Bricklayers/Stonemasons, Carpenters, Electricians, Glaziers, Iron Workers, Painters, Plumbers and Sheet Metal Workers.
- Therefore, if a particular project includes work that *falls within* the jurisdiction of the above trade unions in the ICI construction sector, that work must be performed by union members. This is accomplished either by the general contractor assigning the work to members of that union directly or by sub-contracting that portion of the work to companies that are bound to the applicable union.

- Where work *does not fall within* the jurisdiction of these unions (road building, sewer and water main work, heavy construction utility work), it must be performed in compliance with the Fair Wage schedules, but does not have to be assigned to unionized firms or workers.

Implications

Fair Wage Policy

- The City's procurement practice of open bidding and awarding work to the lowest bidder is well established. The competitive process is designed to accomplish this objective of paying the lowest possible price for certain work to be performed on behalf of the public, while also seeking to ensure the work is performed by qualified contractors and the payment of fair wages to workers.
- On any given construction project, depending on the trade and nature of the work, labour cost accounts for approximately 33% of the total construction cost while the balance (67%) represents all other costs including, materials, equipment, fuel, rentals, administration, supervision, insurance/bonding, finance, overhead and profit.
- Without the fair wage standard, there is potential for exploitation of workers with skilled trade work being performed by unqualified workers, resulting in shoddy workmanship, underground construction practices and possible unsafe buildings and infrastructure that place the public at risk.
- City Council has final authority on Fair Wage Policy matters and set the applicable fair wage rates, generally prevailing in the Toronto construction market on City contracts.
- The current (2003/04) Fair Wage Schedules have no measurable impact on construction costs to the City given that roughly 70% of all construction work is performed by union contractors whose current collective agreements (2010-2013) have wage rates that exceed the City's fair wage (trades minimum) schedules.

Labour Trade's Contractual Obligations in the Construction Industry

- Labour Trade contractual obligations in the Construction Industry are provincially mandated regulations where the City has limited decision making power to change the Provincial Legislation (*Bill 139*).
- The City may bring an application before the Ontario Labour Relations Board (OLRB) to be declared a "non-construction employer". Such an application will succeed if the employer can demonstrate to the OLRB that it fits within the definition of "non-construction employer" that is specific in the *Labour Relations Act*.

- The current definition in the *Labour Relations Act* requires an employer to prove that it does not work in the construction industry for which it expects compensation from an unrelated party.
- The provisions of the Ontario *Labour Relations Act* provide the City with the option to bring a non-construction employer application before the OLRB. The decision to bring such an application is a matter that rests with Council. However, it is reasonable to expect that any construction trade union that is the subject of such an application would defend their rights with the City vigorously, likely resulting in protracted and expensive litigation.
- Furthermore, recent OLRB decision found non-construction employer provisions of the Act inoperative on the basis that they are contrary to the freedom of association rights guaranteed by the Canadian Charter of Rights and Freedoms, and consequently declined to issue non-construction employer declaration.
- As a result of the OLRB decision, municipalities presently in collective bargaining relationship with construction unions will unlikely be able to obtain a declaration terminating rights of a construction union and relieving the City from obligations under the provincial collective agreement.

Current Status and Next Steps

- The Fair Wage Policy and Labour Trade Contractual Obligations in the Construction Industry are applied to City procurement requirements.
- Chapter 67, Fair Wage Policy By-law, wage schedules were last updated on June 24, 2003, and the next scheduled review will be in 2011.
- The Fair Wage Office ensures compliance with the Labour Trade Contractual Obligations in the Construction Industry with respect to: trade jurisdiction, construction sector determination, classification of work involved and whether or not union affiliation/workers must be used.

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311 Toronto Contact Centre: A Snapshot of Operations and Next Steps to Improve Customer Service

Issue

The 311 Contact Centre was launched on September 24, 2009. This briefing note provides an overview of its first year of operation, and sets out next steps for customer service enhancements.

Background

Designed to improve the overall customer service experience for Toronto residents, businesses and visitors, the 311 Toronto customer service solution is unique among municipalities that offer similar “one telephone number” contact for municipal government. It is the only 311 service that fully integrates with divisional systems responding to service requests initiated by 311 customer service staff.

311 Toronto’s customer service technology, Lagan, links directly with different software used by the Solid Waste, Transportation, Forestry, Municipal Licensing and Standards and Toronto Water Divisions (TMMS, Hansen and IBMS). This allows 311 Toronto to initiate service requests and then track their progress directly for customers.

311 Toronto also generates comprehensive reports to assess its productivity and those of the divisions by measuring performance against established service standards.

Planning for 311 established acceptable service standards. The target for receiving service from 311 was based on research and survey data provided by the Institute for Citizen-Centred Service (ICCS). Initially, 311’s service standard was: Answer 70% of calls within 30 seconds. As a result of a 2010 budget decision, it was changed to: Answer 80% of calls within 75 seconds. Divisions established their own standards for the completion of work requested.

Current Status

The statistics describing the 311 service are transparent and easily accessible, providing information on a number of inquiries and performance against the service stats.

In its first year of operation, 311 Toronto:

- Handled almost a million inquiries: 906,284 were by phone; the remainder through email and online channels.
- 25% of phone calls required one or more service requests; 75% were general inquiries.
- Interpretation service was provided during 2,684 calls, for a total of 38 languages.
- Answered 71,061 emails.
- Introduced 30 different service requests online for self-serve by customers.
- Mailed out 5000 Solid Waste Calendars and 2,600 bike maps.
- Established a Twitter account and secured 12,705 followers.
- A "first call resolution rate" of 75% - only 25% of calls were transferred elsewhere for service.

Within its first year, it became clear that some operating projections were "spot on" and others did not reflect the actual experience of 311 Toronto:

- A most telling example: it was originally projected that the average call length would be 151 seconds. At the end of year one, despite full training of customer service representatives, the average call handle time is 220 seconds. It is not anticipated that this will decrease.
- The high demand for service by emails was not anticipated and has been a challenge for 311 Toronto to manage throughout its first year. The Contact Centre responded to 71,061 emails in its first year and has seen a dramatic increase since its inception.

These two issues affected achievement of service targets. The surge of emails has required juggling staff from the phone channel to emails. The original service target for emails - a response within 48 hours- had to be adjusted to 72 hours.

There are also a number of inquiries from customers that require escalation to supervisors for resolution. 311 is working with service divisions to further resolve and document processes related to service requests and update information in the Knowledge Base. Escalated calls result in longer call times and a need for more supervisory staff on the floor at any one time.

311 successfully served as the point of contact for a number of critical Toronto events that resulted in increased call/email volumes: the H1N1 Flu Clinics, the G-20 Summit in June 2010 (when 311 handled 35% more calls compared to the same days in the previous week), and the October 25th election (when 311 handled 10,934 calls or 60% more than the previous

Monday, at one point dealing with over 1,100 calls an hour versus 350 calls per hour the previous week). Working with key divisions to ensure the 311 Knowledge Base had answers to anticipated questions, 311 made it easy for the public to get information at a critical time.

Public feedback to this new service has been positive and media coverage has been generally favourable.

Next Steps

A corporate customer service framework is being developed that includes a standard set of corporate definitions and policies regarding customer service; customer-centred service standards; quality assurance standards; a single complaint protocol; and standardized reporting formats across all City business units to achieve a consistent customer service experience across all services.

Phase 3 of 311 will develop the following initiatives:

- City Council approved a phased-in approach for 311 Toronto. At launch, it integrated with the Solid Waste, Toronto Water and Transportation Divisions; Forestry and MLS were added in June 2010. Further integration will be phased in with two additional divisions/systems to be identified and targeted for integration in 2011/12.
- 311 will provide public access to the Knowledge Base via a self-serve portal, as part of Toronto's web re-branding initiative.
- A pilot counter service initiative will be implemented with Revenue Services, Court Services and Transportation Services at the York Civic Centre.
- The installation of six kiosks will be assessed to provide an additional secure method of public access to City services which are currently only available in person.
- 311 will continue to lead the eService strategy focusing on a customer centred model.

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Open Government

Issue

Opening up government information leads to collaboration and information sharing, promotes citizen engagement, delivers more efficient public services, demonstrates accountability and provides economic development opportunities. Making information open and accessible builds trust and confidence in municipal government.

Indicators of an Open Government include information being more readily available, an improved quality of information and an organizational culture that supports open development, analysis and publishing of information.

Background

City divisions have been opening government information by examining policies and practices that potentially limit public access. Open Government initiatives have included improved information on Committee and Council meetings, the provision of information in multiple, accessible formats and online such as the City's Lobbyist Registry; consultation listings; planning applications; permits and licensing; geospatial, health and safety data; municipal bylaws; and, public notices.

The implementation of clear language guidelines, re-structured web information portals and increasingly accessible information, both raw and analyzed, on the City's services, finances and budget have all improved both the quality and the quantity of information to the public.

Routine and Proactive Disclosure

A shift to routine proactive disclosure of information has resulted in a reduction by 60% of Freedom of Information requests since 2008, from 5203 in 2008 to a projected 2200 in 2011, with a 30% reduction in staff complement. Certain types of information which previously required a Freedom of Information request (FOI) are now released by divisions directly in full or in part without a formal FOI request. The routine disclosure of Building Plans is an example. The number of FOI requests for Building records has been reduced 87% (from 2899 in 2008 to 376 in 2009 and the downward trend continues in 2010) as a result of routine disclosure. Through proactive disclosure, Divisions take responsibility to provide documents and data to the public at regular intervals e.g. on the City's website.

Open Data

A new Open Data initiative allows public access to and use of taxpayer-funded City data. Toronto released its first set of open data in November 2009 and continues to add to the data sets on a regular basis. Raw data is released via the City website, toronto.ca/open, and can be used by IT developers, for example, to create applications for the iPhone and Blackberry.

Open Meetings

The *City of Toronto Act* (Sec. 190) prescribes under what conditions items can be considered in camera during a meeting of Committee or Council. All reports are public reports with confidential information included only as attachments. Reports must indicate the reason for the confidentiality of certain information and when the confidential information will be released to the public. Only in rare cases is the confidential information never released.

In 2009, 4.5% or 35 of the 773 hours of Council and Committee meetings, including the Civic Appointment Committee which holds interviews in camera, were held in camera. There has been one closed meeting complaint since 2008.

Meeting Management Information Systems (TMMIS)

All legislative documents since 2000 are on the City's website. Toronto provides access to Council and Committee agendas and deliberations in real time. TMMIS, <http://app.toronto.ca/tmmismonitor/index.do>, is now accessible on mobile devices providing even greater convenience for the public. Public engagement in the decision making process has been enhanced through the use of social media and providing immediate updates on Council votes, decisions and meeting progress.

Implications

- Building a transparent government involves the strategic adoption of increasingly open communication practices.
- The culture of the administration must shift to sharing and stewardship of information not ownership.
- The default is information should be open unless there are personal, proprietary, third party or security reasons for information to be protected.

- There is an increasing public appetite and demand for 311-sourced data, service call statistics, reporting and performance metrics, etc.

Current Status and Next Steps

The implementation of an Open Government strategy including policies and accountability belongs to the entire City administration and all Divisions. The mandate for corporate information management policy and strategies and oversight of the implementation of corporate information management resides with the City Clerk.

City Clerk's Office staff are working with Divisions to continue to reduce the number of freedom of information requests by promoting open government practices at all levels of the organization.

The launch of the public phase of TMMIS in December 2010 will significantly improve browsing and searching of Council and Committee information. The public will be able to better track the flow of agenda items through the legislative process. It will also provide map based views of agendas and allow the public to track voting and attendance records of Councillors.

The release of open data continues. An automated process for posting to the toronto.ca/open site will be implemented in late 2010. Work with divisions to identify future datasets for release continues.

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Performance Measurement and Benchmarking

Issue

Municipal performance measurements provide valuable information for monitoring City operations and making resource allocation decisions. Public reporting of performance results helps achieve accountability and transparency of municipal expenditures.

Toronto's performance measurement results are examined from an internal perspective, by reviewing trends over a period of years, and an external perspective by benchmarking results against other municipalities.

Toronto's performance measurement framework includes service level indicators, which look at the level of resources or volumes of service provided, and three types of performance measures:

- efficiency
- customer service/quality
- community impact/outcome

The City Manager prepares an annual Performance Measurement and Benchmarking Report. The latest report from May 2010 covers 27 different service areas and highlights areas in which the City is performing well, those in which improvements can be made, and summarizes the initiatives completed, underway or planned that could further improve the efficiency and effectiveness of Toronto's operations. This report is available at www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-31020.pdf. Broader information about performance measurement and benchmarking is at www.toronto.ca/city_performance.

Background

The City's performance measurement and benchmarking work is led and coordinated through the City Manager's Office but involves staff in almost all City divisions and major City agencies. Staff work closely with other municipalities in Ontario, Canada and world cities through the following initiatives:

- **The Ontario Municipal Benchmarking Initiative (OMBI)** is a collaborative effort of 15 Ontario municipalities representing 9.4 million residents or 73 per cent of Ontario's population. OMBI is examining municipal performance in 36 different service areas and

uses standardized methodologies to ensure the comparability of results. Calgary and Winnipeg have recently joined OMBI, which will allow Toronto to expand its benchmarking work with other large Canadian cities.

- **The Municipal Performance Measurement Program (MPMP)** is a provincially mandated program that requires all Ontario municipalities to publicly report specified efficiency and effectiveness measures. The MPMP metrics are not as comprehensive as those in OMBI.
- **The Global Cities Indicator Facility (GCIF)** is based at the University of Toronto and is funded by the World Bank. It is recognized that Toronto needs to extend its benchmarking work beyond Ontario to other large international cities. Toronto was one of the original nine pilot cities that advised and assisted the GCIF to develop a standardized set of city indicators that measure and monitor service delivery performance and quality of life globally. There are now approximately 125 cities that are in the process of collecting data including Amman, Belo Horizonte, Bogota, Capetown, Cali, Dallas, Dhaka, Dubai, Durban, Johannesburg, Jakarta, King County (Seattle), Lima, Melbourne, Milan, Montreal, Mumbai, Paris, Sao Paulo, Tehran and Vancouver. Using this GCIF data we expect to be able to compare Toronto to other world cities in our future benchmarking reports.
- **Quality of Life Reporting System (QOLRS)** of the Federation of Canadian Municipalities. Toronto, led by the Social Development Finance & Administration Division, has been a participant for a number of years in the QOLRS which measures, monitors and reports on the quality of life in 22 Canadian cities and communities in 10 different theme areas.

Implications

Public reporting of reliable and accurate information about the efficiency and effectiveness of City services over time and in relation to other municipalities, including steps being taken to improve operations, ensures that the City of Toronto is a transparent and accountable organization.

The ability to access data provided directly by other international cities helps Toronto to expand its benchmarking work. Staff assist and advise the Global City Indicators Facility (GCIF) on its benchmarking methodology and expansion. World Bank funding for the GCIF expires at the end of 2010. The Province is considering a funding proposal to retain the GCIF in Toronto.

Without external funding there is a strong possibility the GCIF could be relocated to another country.

Current Status and Next Steps

Work by staff on the performance measurement and benchmarking initiatives is ongoing.

The City Manager's next Performance Measurement and Benchmarking Report presenting 2009 data is targeted for completion in the spring of 2011. By 2012 we expect to expand the report beyond Ontario comparisons to include comparable results of other large Canadian and international cities.

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Toronto Progress Portal

Issue

Toronto's Progress Portal on the City's website will consolidate existing performance measures, indicators and data initiatives across all City divisions and City agencies. Site visitors will know how their City is doing and be able to measure the City's progress in many areas.

Currently City information is not easily accessible, is scattered across the City's website and is not summarized consistently. As a result, information about how the Toronto Government is performing in a range of areas or quality of life considerations cannot inform decision making.

Background

The Toronto progress portal on www.toronto.ca is not a new initiative. It leverages existing information to increase awareness of progress, support better decision and policy making and help build trust and confidence in the Toronto Government.

Future components of the Toronto's Progress Portal are expected to include:

- Highlights from the City's Civic Engagement website and Toronto Civics 101 to provide context and inform readers on matters such as:
 - The role and responsibilities of the Toronto Government in relation to the provincial and federal governments
 - Municipal revenues, expenditures and fiscal strategies
- Indicators, measures and narratives including:
 - Quality of life indicators
 - Progress on strategic directions established by Council
 - Neighbourhood indicators and statistics
 - Service delivery performance measures (from existing annual Performance Measurement and Benchmarking Report)
 - Corporate performance (customer service, financial and asset stewardship etc.)
 - International rankings of Toronto by other organizations
 - Divisional report cards and annual reports

In the longer term GIS/Mapping functionality will be added as an important component.

Implications

By consolidating fact-based information the City will:

- Provide a tool to assist Councillors in communicating to constituents and advocating with other orders of government
- Publish standards, goals, targets and results
- Create greater staff awareness of City initiatives and understanding of their contribution to the City's progress
- Encourage more horizontal collaboration among divisions and City agencies

Current Status and Next Steps

The initial concept for the Toronto Progress Portal – How Your City is Doing, was based on best-practice research on performance reporting systems in other jurisdictions.

Phase 1, consolidating progress information using the existing web functionality is in progress. See www.toronto.ca/city_performance/.

The City Manager has submitted a 2011/2012 Capital Budget business case for Phase II. This would provide new web functionality to visualize data, make the site interactive and interesting and further expand content.

The Progress Portal will incorporate new information as it becomes available.

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Civic Engagement Strategy

Overview

Public participation is one of the cornerstones of good governance. The public's ideas and concerns help set directions, create programs and services and push for innovations that keep Toronto economically, socially and environmentally healthy. The City is committed to ensuring that Toronto's residents have a strong voice in helping to shape their neighbourhoods and build a liveable Toronto.

Public participation contributes to Council's decision-making process by identifying new and emerging issues, providing feedback and recommending improvements to existing City services, programs and policies, participating in visioning, developing, implementing and monitoring City plans and strategies.

Civic Engagement Strategy

Building on a strong history of public participation, community development, consultation and involvement a corporate Civic Engagement Strategy was launched by the City Manager in 2008 to support:

- An informed public that will help shape the City and its neighbourhoods and communities.
- Decision-making informed by reliable data.
- The City's goal to make its priorities, services and programs relevant to Torontonians of all backgrounds, now and in the future.
- The building of trust through transparency, accountability and reliability.

The Civic Engagement Strategy has three key components:

- Developing participatory models of engagement to promote purposeful dialogue and build lasting partnerships.
- Enhancing outreach and inclusion activities to ensure a diversity of opinion, perspectives and experiences.
- Providing strategic coordination and advice within the Toronto Public Service to improve coordination across City divisions, issues, neighbourhoods and communities.

2009 and 2010 Accomplishments

Toronto Civics 101

- Created and implemented a six part learning series in 2009 for 175 Torontonians (from 950 applicants) to learn about decision-making, finances, planning and elections.
- Comprehensive outreach ensured geographic representation and a wide range of ages, length of residency, diversity and experience.
- 97% of participants agreed that the sessions helped them "learn how city government works" and 94% said they would recommend the program to others.
- Developed a Toronto Civics 101 web portal with video highlights and presentations, links to background material and learning exercises in order that the general public could follow along online.

Launched a Civic Engagement Website for the Public providing:

- Introductory guides to the City including decision-making, planning, budget, affordable housing, and accountability.
- A centralized list and map of City consultations, workshops and public meetings (searchable by location, date and keyword).
- Resources on neighbourhood planning and links to information about City services including videos, the City's open data site and public notices and appointments.
- Links to City Social Media sites including elections and Council's Twitter and Facebook feeds.

Enhanced Strategic Coordination and Advice to the Toronto Public Service

- Provided direct support and advice regarding public and staff engagement planning, building the City's overall engagement capacity.
- Launched quarterly Civic Engagement Newsletter (circulation 600) for engagement practitioners providing advice about best practices and engagement methodologies.
- Implemented a Community of Practice for engagement practitioners across the organization that includes an online network with resources, toolkits and discussion forums, the delivery of training sessions, and the exploration of new technology and community partnerships.

Focus for 2011

Enhanced Data Management and Online Tools

- A Civic Engagement Database to record, track, monitor and report on City and divisional consultations and:
 - Provide one window access to information about civic engagement opportunities, data and reports and allow online interactivity.
 - Eliminate duplication and data loss, allowing staff to plan, implement and evaluate engagement activities.
- Launch online engagement and consultation platform with Web2.0 and social media functionality.

Toronto Civics 101 – 2011

- Implement recommendations from initial program participants including:
 - Develop additional introductory guides for civic-engagement portal.
 - Develop resources from Toronto Civics 101 for different audiences, including a "Mini Civics 101" program to provide an introduction to the program's resources, to increase self-directed learning opportunities.
 - Explore considerations for conducting series again or creating more advanced series for previous participants.
- An online library (searchable by grade, topic and format) of all City educational resources will be launched early in 2011.

Partnership Development

- Deliver an Engagement Camp to strategize on the implementation of the next phase of the City's engagement strategy with external stakeholders.
- Establish partnership opportunities with local engagement efforts such as Doors Open Toronto and Jane's Walk.

City-Wide Engagement Initiatives

- Staff will support city-wide engagement initiatives that may be planned for 2011 including budget consultations, Council strategic planning and priority setting, Recreation and Parks Service Plans etc.
- Provide strategic advice on public and staff engagement planning with City staff.
- A civic engagement protocol to achieve high standards of engagement planning, methodology selection, outreach, communication, reporting and evaluation.

Financial Overview

Issue

This briefing note summarizes the City of Toronto's financial planning and management processes, and provides a financial overview based primarily on the 2010 approved capital and operating budgets.

Background

Budgetary Policies and Practices

- In compliance with the *City of Toronto Act (COTA)*, the City must adopt an operating budget annually. The operating budget must include estimates of all sums required during that year to pay for all debt falling due during that year, amounts required for sinking or retirement funds and amounts required for City agencies.
- COTA sub-section 229. (1) permits the City to prepare and adopt a budget covering a period of two to five years. On an annual basis, after the 1st year, the budget must be confirmed.
- The City prepares an annual operating budget with a two-year outlook to provide funding for all expenditures required to deliver City services, including salary and benefit costs for staff who deliver the services and operating costs for the programming of services as well as the funding sources for these services.
- Operating expenditures must equal revenues. In other words, the annual operating budget must be balanced. The City maximizes all non-tax funding sources first (Program-specific reserve funds and user fees, Provincial/Federal Transfers and other 3rd party and corporate) to minimize property tax funding, the funding source of last resort. The City cannot borrow funds (issue debt) to balance the operating budget.
- If the City experiences a deficit by year-end, the deficit must be budgeted for in the following fiscal year. The City has not had deficits to date.
- Any operating surplus realized at the end of a fiscal year must be considered as a potential revenue source in the next year's operating

budget. Council policy is to set aside surpluses in capital reserves if the funds are not required to balance the operating budget.

- In addition to the operating budget, the City prepares a 10-Year Capital Budget and Plan. This capital plan, based on debt affordability, includes estimates of capital expenditures (capital projects) to keep the City's current assets in a state of good repair and to improve, expand, acquire and/or construct new capital assets required to meet service demands and support service growth, as well as the financing sources for these expenditures.
- Capital expenditures represent the costs to acquire, construct, develop or better a City owned or controlled asset. Betterments are considered eligible capital expenditures when they materially increase the physical output or service capacity, lower operating costs, extend the useful life or improve the quality of output of a capital asset.
- Like the Operating Budget, the City maximizes all non-debt financing sources first (Federal/Provincial Transfers, Program-specific reserve funds, Development funds, capital contribution from the operating budget (Capital from Current) to minimize debt funding.
- COTA permits the City to borrow funds (issue debt) to finance capital expenditures. Debt funding levels are established for each year of the 10 year capital planning period. Debt repayment (principal and interest) is an operating expenditure which must be managed.
- The City restricts its debt service cost limit to no more than 15% of property taxes.
- Budgets are prepared on a cash basis, while financial statements are prepared on the full accrual basis. It is possible that the Province will require that all municipalities move to accrual budgeting in the near future.

Financial Controls

- Financial control of both the approved Operating and Capital Budgets is achieved through monitoring of actual expenditures and revenues to ensure compliance with budgetary plans, as well as the City's Financial Control By-law.
- On a quarterly basis, capital and operating variance reports are presented to Budget Committee, Executive Committee and City

Council to provide information on actual spending performance against planned expenditures with projections to year-end, the identification of emergent financial pressures along with any recommended mitigation strategies, if necessary.

- All amendments to the approved Capital and Operating Budgets during the fiscal year must be approved by City Council (see Briefing Note – 1.6 ‘Delegated Authorities’.) Requests to amend the budget are submitted to Committee and Council by way of a staff report that identifies the impacts on services and service levels with emphasis placed on resultant tax funding impacts (operating budget).
- Amendments must not require that the total property tax levy (operating) or debt financing (capital) be increased during the year as they are fixed with the budget. In the absence of contingency accounts, any in-year financial impacts must be offset by a reallocation of like funding sources.
- In accordance with the Financial Control By Law, all staff reports for submission to Committee and Council must be reviewed for financial implications and signed off by Financial Planning staff on behalf of the Chief Financial Officer. Information in the “Financial Implications” report must include current and future year costs and funding requirements and impacts of the proposal; staffing impacts, any required budget adjustments, risk, precedent-setting ability as well as whether the recommended proposal is consistent with Council’s strategic directions and fiscal priorities.
- Changes to staff report recommendations made at Standing Committee meeting, as well as Notices of Motion submitted by Councillors for Council meetings must also be evaluated and signed off by Financial Planning staff on behalf of the Chief Financial Officer for financial implications. A fiscal impact statement is submitted to ensure Council has full knowledge of these financial impacts prior to Council’s consideration of these matters.
- Annually, the City prepares audited financial statements based on generally accepted accounting principles. Unlike the annual budgets which are based on cash flow, the financial statements are prepared on accrual basis accounting principles. In the covering staff report the financial statement surplus is reconciled to the cash flow based budget surplus.

- In addition to the external auditors who review the annual financial statements, the City has an Internal Audit Division and an Auditor General that monitor the effectiveness of internal controls and report noncompliance to policies and procedures, best practices and principles to Council.

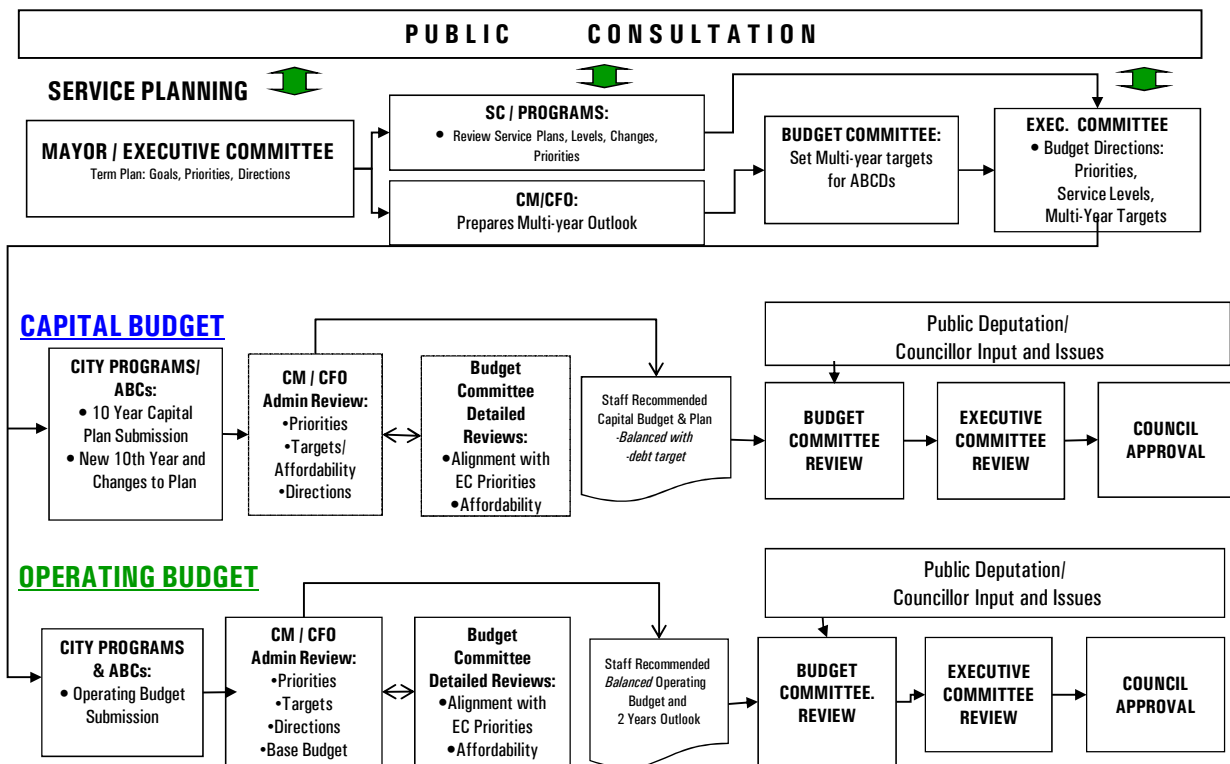
Budget Process

2006 Approved Budget Process

In 2006, City Council approved a “mature budget process” that is based on best practices and, in particular:

- Engages stakeholders in priority-setting through upfront public consultation;
- Has a long-term perspective – annual operating budget plus two-year outlook, and 10-Year Capital Budget and Plan;

Chart 1
2006 Approved Financial Planning Process – “Mature Budget Process”

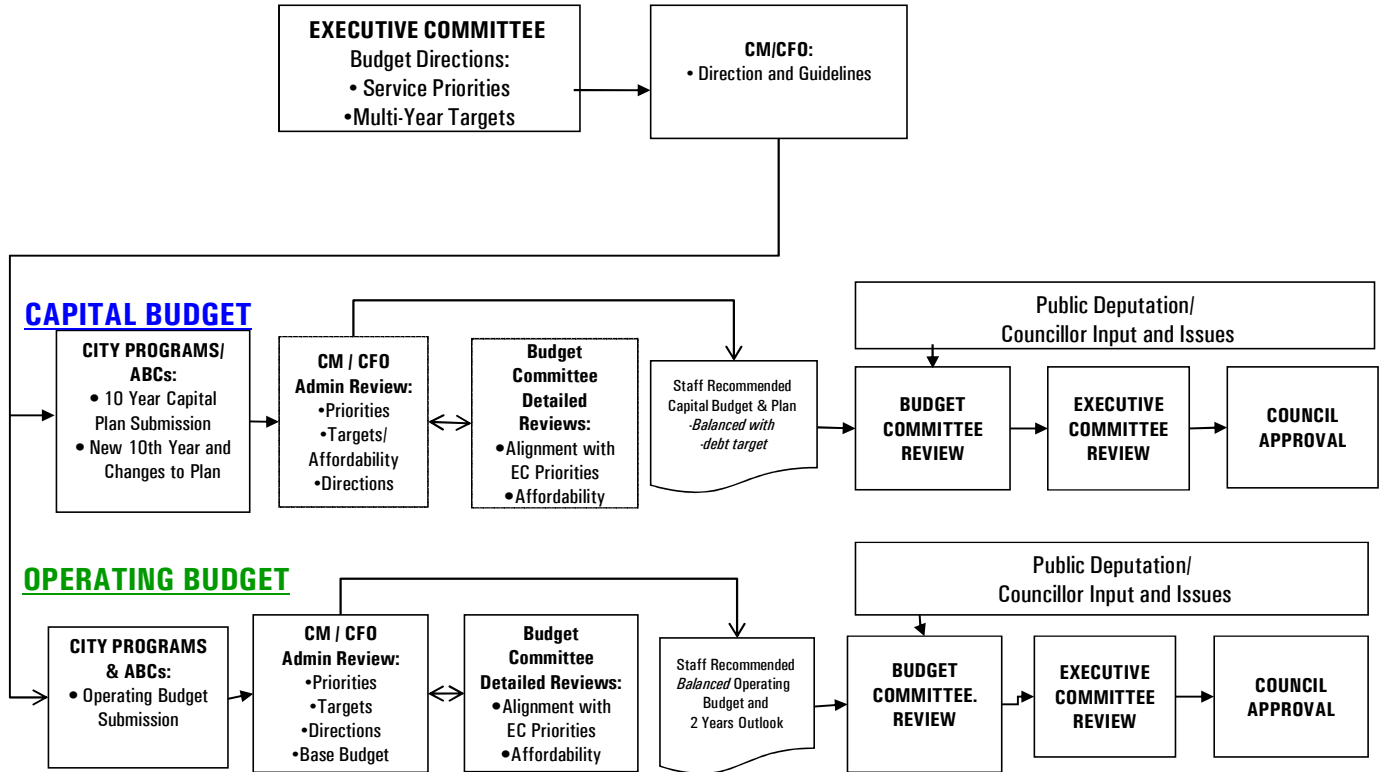


- Links resource allocations to service objectives and targets driven by Council priorities through a multi-year service planning process;
- Is service-focused and performance based – i.e. it focuses budget decisions on priorities, service objectives and targets and on results and outcomes;
- Includes roles and responsibilities for the Budget Committee, Standing Committees and Executive Committee.
- The approved “mature budget process” is illustrated in Chart 1.

2007 to 2010 Actual Budget Process

- The former Council did not establish Council goals and the upfront public consultation and public service planning processes of the mature budget process were not implemented. However, service planning was undertaken at the staff level, using the Mayor’s priorities and Council’s policy directives as the basis. No political review of these plans occurred.
- The current budget process is illustrated in Chart 2.

Chart 2 2007 to 2010 Budget Process



- Guidelines and directions are issued by the City Manager / Deputy City Manager-Chief Financial Officer (CM/DCM-CFO) as well as from the Mayor.
- Staff prepare a firm 10 Year Capital Budget and Plan based on available City financing capacity (debt targets) for each of the 10 years and an Operating Budget and submit them to the Financial Planning Division for analysis and recommendation to the City Manager and DCM-CFO.
- The 10 Year Capital Budget and Plan and the Operating Budget are reviewed by the CM & DCM-CFO with the program's DCM and Division Head (DH) to develop a Staff Recommended Capital Budget and a Staff Recommended Operating Budget that is balanced, in accordance with guidelines, directions and affordability based on budget targets.

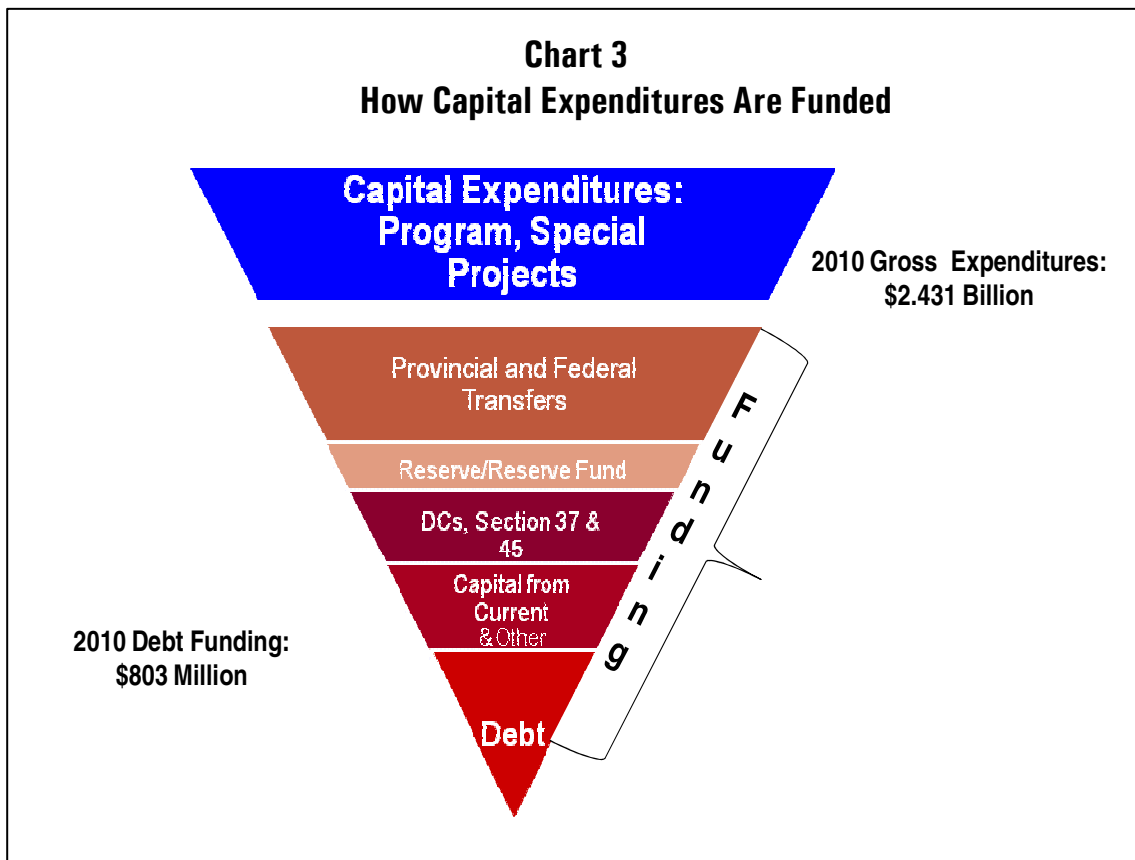
Current Budget Roles and Responsibilities of Council & Committees

- On behalf of the Executive Committee, the Mayor provides upfront directions to staff. These directions focus on fulfilling Council's strategic policy agenda by aligning resources to priorities and policies that are based on sound financial management principles, and meet budgetary targets.
- Prior to finalizing the staff recommended budgets for public launch, Budget Committee members are assigned to undertake detailed reviews of individual City Program and Agency budgets with the program Division Head to ensure that Executive Committee's directions were met.
- The Budget Committee, on behalf of the Executive Committee, holds formal meetings/hearings to receive public deputations and input from Councillors on matters and issues of interest and where necessary, make changes to the staff recommended budget.
- The Budget Committee recommends a balanced budget to the Executive Committee. This budget should demonstrate strategic alignment of resources to Council priorities; highlight expected results and outcomes; and should incorporate strategies adopted to resolve the structural deficit problem.
- The Executive Committee's review of the budget focuses on major fiscal and policy issues and confirms the budget as a strategic financial plan that will implement Council policies and priorities.
- On behalf of the Executive Committee, the Budget is presented to Council for review and approval.
- In non-election years, the Solid Waste Management Services and Toronto Water capital and operating budgets are approved by December 31 of the year before the budget year, so that the rates charged for these services can be set to be effective on January 1.
- In non-election years, Tax Supported Capital Budget and Plan approval is likewise granted by December 31 of the year preceding the budget year to ensure the full fiscal year is available to achieve best pricing from early contract awards and to maximize the construction season.

- The Tax-supported Operating Budget must be approved no later than April 15, in order to prepare tax bills on time; otherwise the City will lose revenues of \$100,000 per day.

Financial Overview - Capital Program

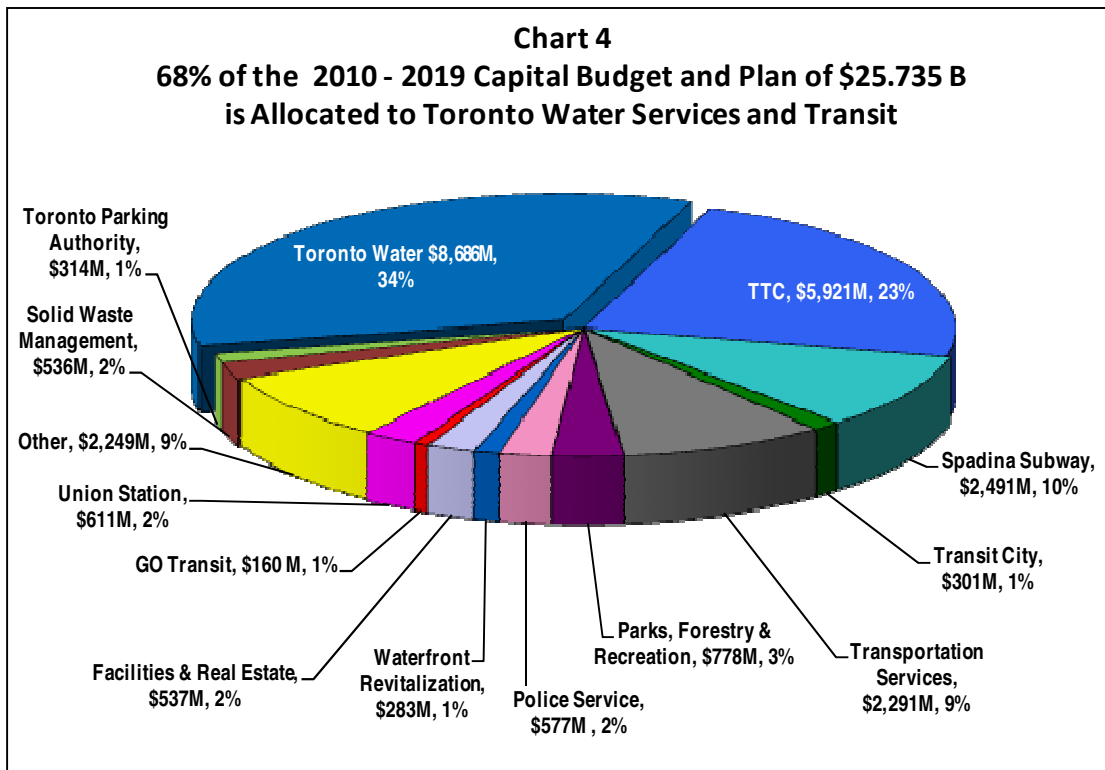
- The City’s infrastructure and capital assets have an estimated replacement value of \$62 billion (historical cost of \$29.4 billion per the financial statements).
- As illustrated in Chart 3 capital expenditures are primarily funded by debt.



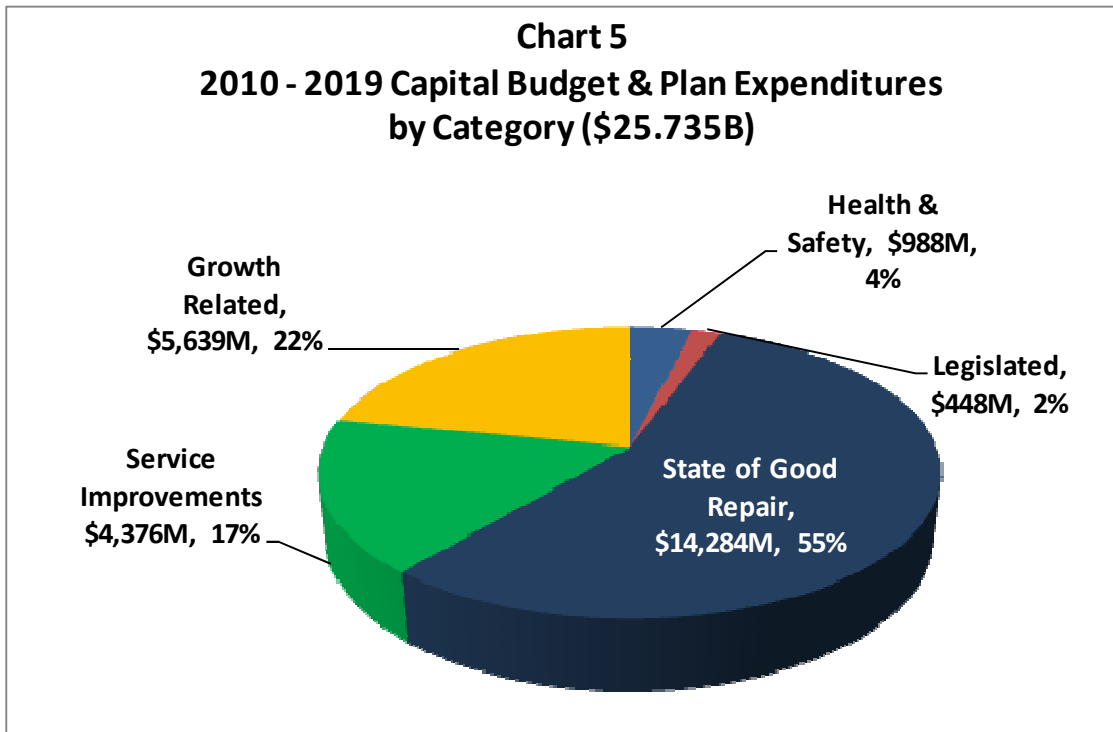
- Annually, City Council approves a 10-Year Capital Plan (the first year represents the capital budget for which funds are appropriated and the remaining 9 years are approved planned estimates) based on debt affordability targets for each of the 10 years. This provides a long-term perspective on available funding and in particular, establishes affordable debt targets for every City Program/Agency for each year of the capital plan period.
- The 2010 – 2019 Approved Capital Budget and Plan totals \$25.735

billion of which \$9.536 billion or 37% is allocated to Rate-Supported Programs (Toronto Parking Authority, Toronto Water and Solid Waste Management Services) as shown in Chart 4.

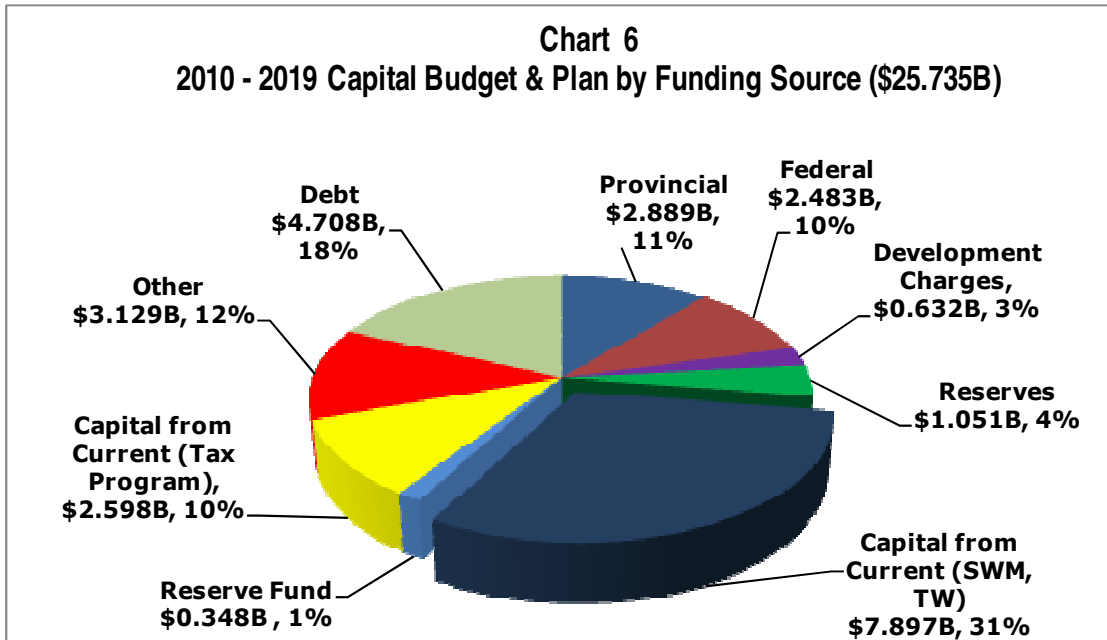
- The 2010 – 2019 Tax Supported Approved Capital Budget and Plan totals \$16.199 billion.
- The 10-year Capital Budget and Plan for the Toronto Transit Commission is \$8.713 billion, inclusive of Spadina Subway and Transit City.



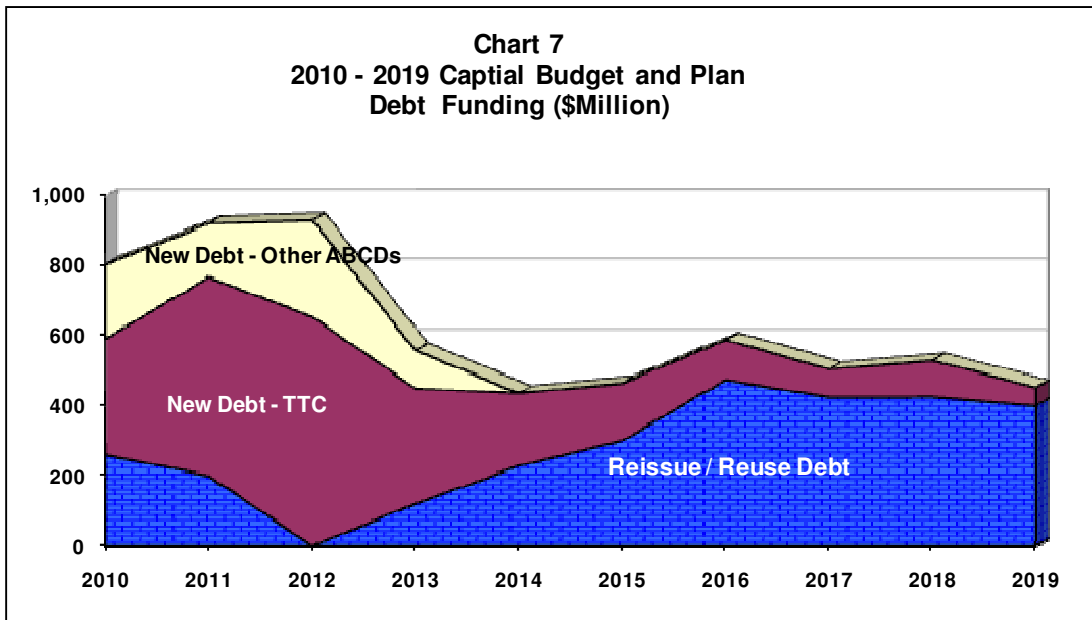
- As illustrated in Chart 4, Toronto Water Services and TTC represent 68% of the 2010 – 2019 Capital Budget and Plan.
- Chart 5 shows the 2010 – 2019 Capital Budget & Plan Expenditures by category noting that \$14.284 billion or 55% is used for State of Good Repair projects.



- The 2010 – 2019 Capital Budget and Plan includes capital projects that are cost-shared with the Federal and Provincial governments under the Infrastructure Stimulus Fund (ISF) and the Recreational Infrastructure Canada Program in Ontario and the Ontario REC (RInC-REC) programs.
- Approved economic stimulus program projects total cost is \$675.578 million, of which \$413.722 million is attributed to Tax Supported Programs and Agencies. By entering into these economic stimulus agreements, the City reduced its debt funding requirement by \$141.242 million and increased Federal and Provincial funding by \$239.478 million. It is estimated that the economic stimulus projects will have created 7,247 jobs during the years 2009, 2010 and 2011.
- The 2010 Tax Supported Capital Budget is \$2.431 billion of which \$1.338 billion or 55% is for state of good repair. The 2010 Rate Supported Capital Budget for Toronto Water, Solid Waste Management Services and the Toronto Parking Authority combined is \$761 million.



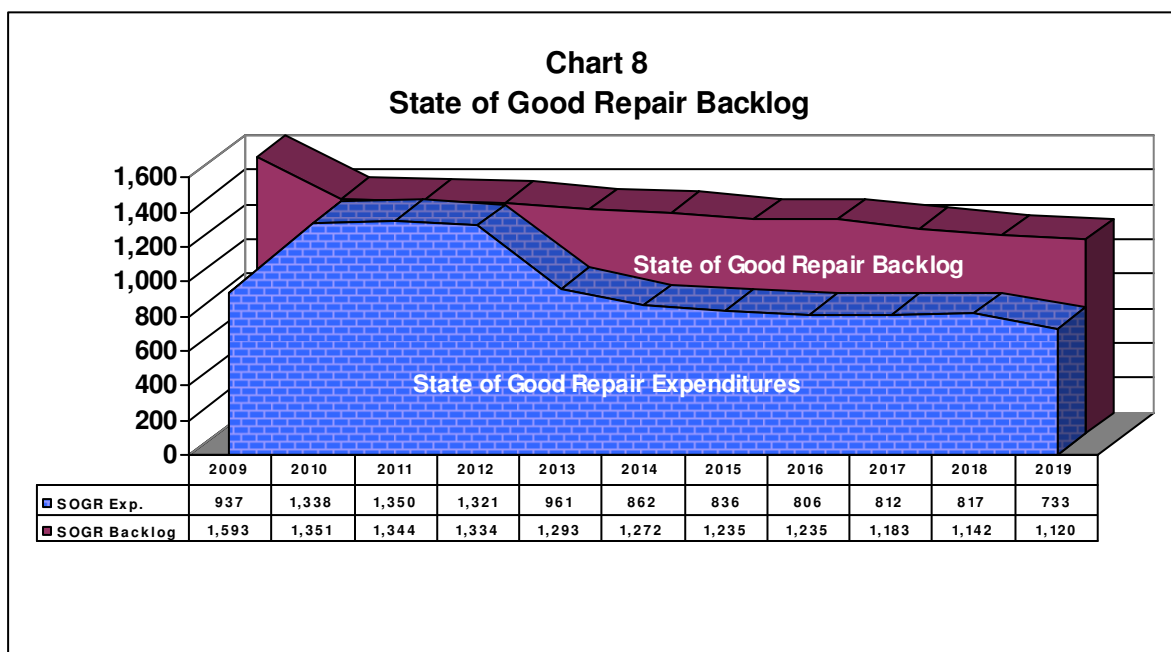
- As shown in Chart 6 above, the 2010 – 2019 Capital Budget and Plan of \$25,735 billion is funded by City-own financing sources totalling \$7,306 billion, of which debt funding comprises \$4,708 billion or 18%, and Capital from Current funding is \$2,598 billion or 10%. Capital from current has been increased by 10% per annum since 2008.



- New debt approved for the 2010 – 2019 Tax Supported Capital Budget and Plan is mainly required to fund the TTC (see Chart 7). In the

absence of sufficient, sustainable alternative funding sources, the City continues to allocate a disproportionate level of debt to fund the TTC capital program.

- The City’s extensive infrastructure is aging which places a huge burden on its limited revenues to ensure that assets are kept in a state of good repair. As evident in Chart 8, the State of Good Repair (SOGR) backlog will decrease from \$1.593 billion in 2009 to \$1.120 billion by 2019, confirming that the Approved 2010 – 2019 Capital Budget and Plan advances the strategic direction to focus spending on maintaining the City’s infrastructure in a state of good repair.

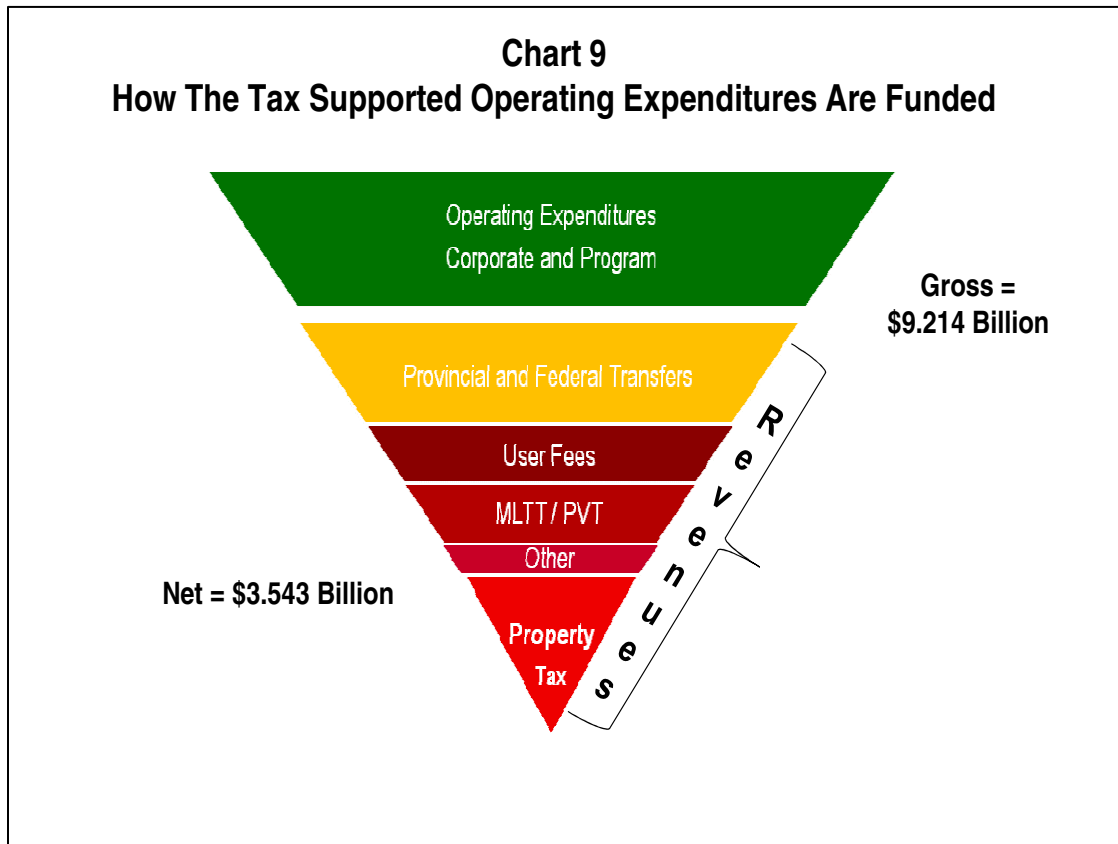


- Work on the Staff Recommended 2011 – 2020 Capital Budget and Plan has begun. Because of funding constraints, several major high priority projects are not included in the preliminary affordable capital plan.

Financial Overview - Operating Program

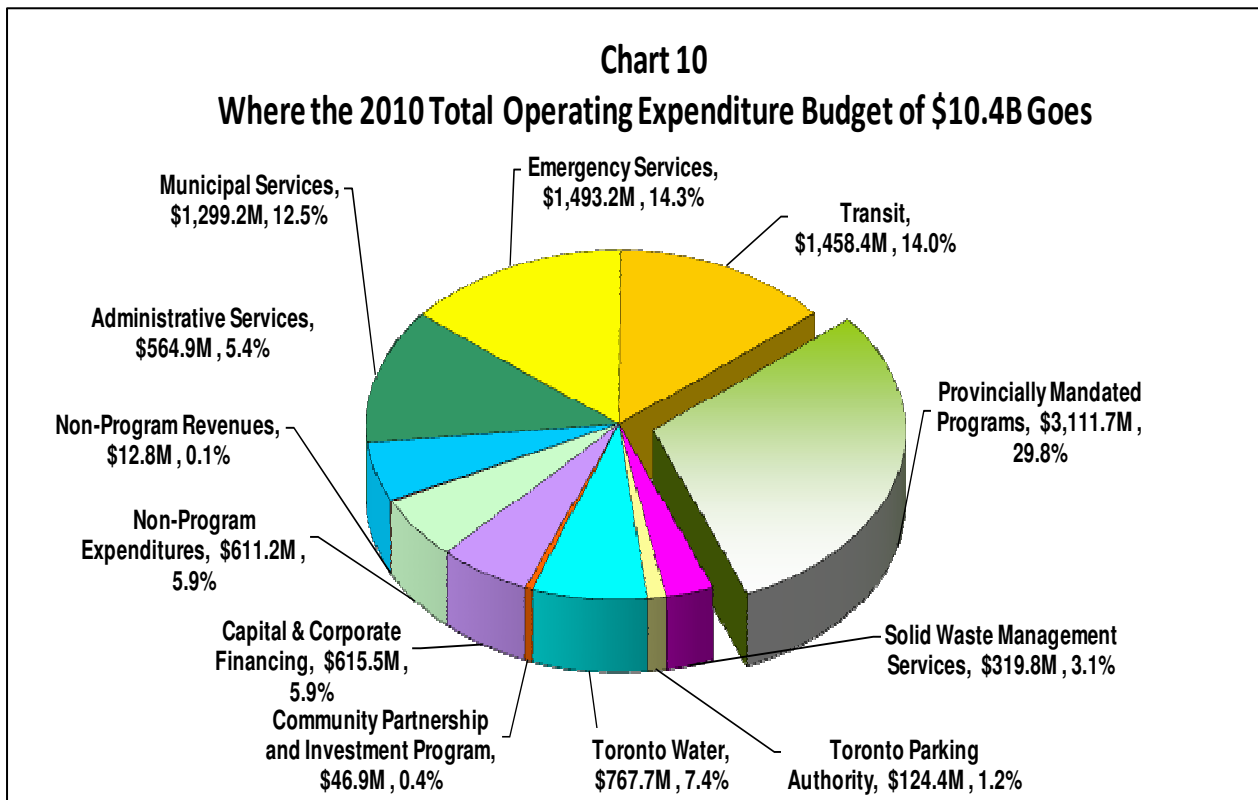
- The City offers 161 services comprised of: City Operations – 110 services and City Agencies – 51 services.

- As illustrated in Chart 9 operating expenditures are primarily funded by property taxes.



- The 2010 Approved Operating Budget (gross expenditures) of \$10.370 billion is comprised of:
 - A Tax Supported Operating Budget of \$9.214 billion (City Operations and Agencies).
 - A Rate Supported Operating Budget of \$1.156 billion (Toronto Parking Authority, Toronto Water and Solid Waste Management Services).
- Salaries and Benefits represent the largest expenditure type totalling \$4.648 billion and represent 44.8% of total expenditures. In total City Council approved a complement of 52,791 positions in 2010, of which 50,300 positions are required to deliver operating services, and 2,491 positions to deliver the capital program.
- Forty eight per cent of the approved staff complement is assigned to deliver services provided by the City’s Agencies, primarily the Toronto Police Service, TTC, Toronto Public Health and Toronto Public Library.

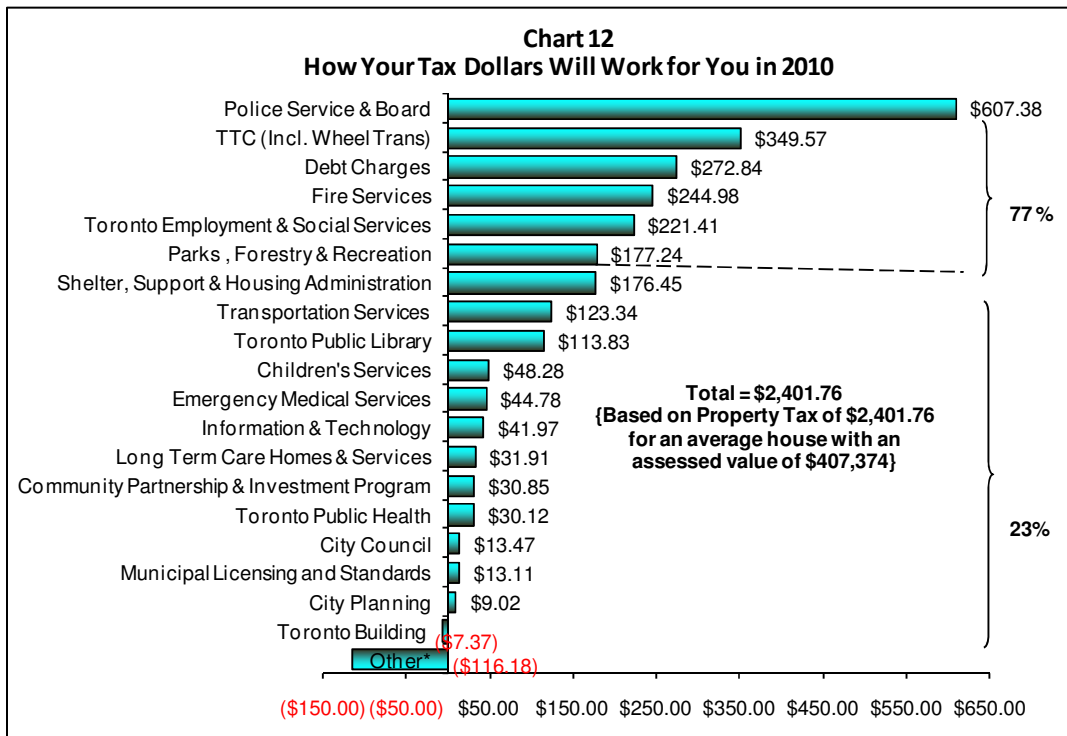
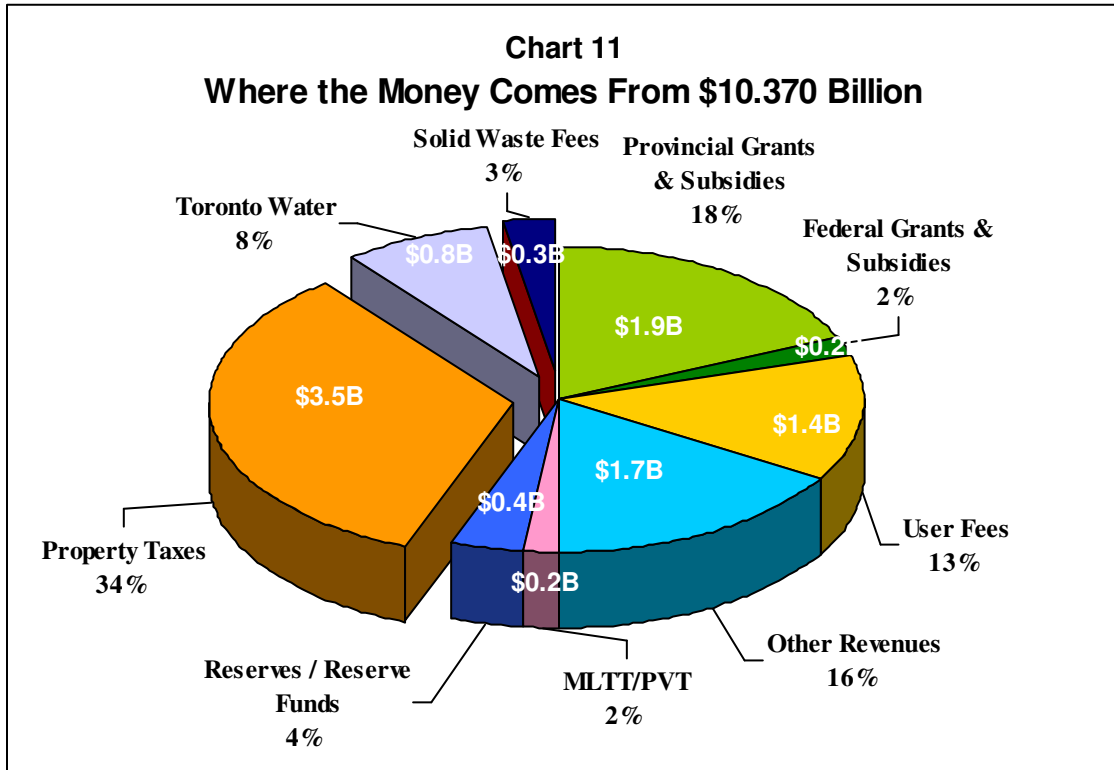
- Provincially Mandated Programs make up \$3.112 billion or 30% of the total Approved 2010 Operating Budget expenditures (see Chart 10).



- Gross expenditures for the three Emergency Services (Police, Fire and EMS) total \$1.493 billion or 14% whereas Municipal Services' expenditures comprise 13% or \$1.299 billion.

Table 1 Provincially Mandated/Cost Shared Programs and Municipal Services		
Provincially Mandated / Cost Shared Programs	Municipal Services	
Affordable Housing Office	Economic Development & Culture	Toronto Public Library
Children's Services	Parks, Forestry & Recreation	Association of Community Centres
Court Services	3-1-1 Customer Service Strategy	Exhibition Place
Long Term Care Homes & Services	City Planning	Heritage Toronto
Shelter, Support & Housing Administration	Municipal Licensing & Standards	Theatres
Social Development, Finance & Administration	Policy, Planning, Finance & Administration	Toronto & Region Conservation Authority
Toronto Employment & Social Services	Technical Services	Arena Boards of Management
Toronto Public Health	Toronto Building	Yonge-Dundas Square
	Toronto Environment Office	Toronto Zoo
	Transportation Services	Solid Waste Management Services
	Waterfront Secretariat	Toronto Parking Authority
		Toronto Water

- Chart 11 illustrates where the funding for the 2010 Operating Budget comes from. Property Taxes of \$3.5 billion or 34% is the largest revenue source in the 2010 Operating Budget.
- Non-tax revenues total \$6.835 billion or 66% of the 2010 budgeted revenues. Provincial Transfers of \$1.861 billion pay for Provincially mandated programs and represent 18% of total revenues, while User fees total \$1.4 billion (excluding Toronto Water and Solid Waste fees) or 13%.
- Chart 12 shows where property taxes are spent. The Property Tax on an average house with an assessed value of \$407,374 is \$2,401.76. As shown in Chart 12 below, \$607.38 will go toward paying for police services, while \$349.57 pays for transit services.



- The 2010 Tax Supported Operating Budget was balanced with one-time revenues of \$343 million to mitigate the tax rate increase which contributes to an estimated beginning pressure of \$503 million in 2011.

- Reliance on one-time revenues, such as reserves and surpluses, is not sustainable and continues to put significant stress on the City's ability to balance the operating budget, in each subsequent year.
- Some successes have been made addressing the annual operating budget shortfall; however, fixing this problem will remain a challenge, given the inequity between funding and the cost of the services mandated by the Province; the lingering effects of the 2008-2009 recession; growing demands for services; stagnant revenue sources; and the inadequate funding subsidy from the Province for TTC Operations.
- The City has been taking steps to reduce spending. However it should be noted that cutting \$1 in gross expenditures does not always equal a cut to property taxes of \$1 (net expenditures). A significant portion of the City's gross costs are funded by provincial transfers or user fee revenue. If expenditures are cut in these programs, these revenues are lost as well.

Implications

In compliance with COTA, Council must adopt a balanced operating budget annually. A budget process and schedule must be established at the first meeting of the new Executive Committee to facilitate development and approval of the 2011 Operating Budget and the 2011 -2020 Capital Budget and Plan.

The budget process must incorporate staff findings in response to a request by the outgoing Council that, "the City Manager report to the first meeting of the new Executive Committee on a process which will ensure compliance with the COTA ... having canvassed outgoing Councillors", as well as examining the ability to approve the capital and operating budgets together by December; to better engage the public and to consider implementing the service planning process as originally approved by Council.

Current Status and Next Steps

- The City has a financial management and control system in place which is focused on ensuring that its financial resources are protected and utilized to provide the highest priority services efficiently and effectively.

- The City provides a large and diverse number of services to its citizens; however, it has direct control over services that comprise only 30% of its total operating budget.
- In response to a request from the last Council, the City Manager will be presenting a budget process to the new Executive Committee at its first meeting.
- To ensure that the 2011 operating and capital budgets are approved on a timely basis, Council must approve a budget process and schedule, along with directions on its priorities, roles and responsibilities of the Budget and Executive Committees in the budget process, and the extent and format of stakeholder consultation at its first meeting in 2011.
- In preparing the annual operating budget Council must recognize that property tax represents the largest funding source for the operating budget and that every effort must be made to minimize property tax increases (by maximizing non-tax revenue sources) while ensuring that services are maintained.
- Similarly, in preparing the capital budget and plan every effort must be made to ensure that scarce/affordable funds are utilized to maintain the existing infrastructure in a state of good repair while investing in new assets to satisfy the growing demand for City services. It is essential that capital investments to maintain the existing infrastructure and to fund expansion to fulfill growing services demands be balanced against the need to manage debt within affordable limits.

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Long Term Fiscal Plan (LTFP)

Issue

City has a sound financial base:

- Strong credit ratings from Moody's, DBRS and S&P, between 1-2 levels below the highest possible AAA rating
- Strong balance sheet – Accumulated surplus \$14.8B , Bond and Money Market Investment Funds \$3.3B; cash \$200M (all as at Dec 31, 2009)

Although currently sound, the financial condition is not sustainable.

The City has an annual structural financial shortfall of between \$75M and \$100M annually, which arises from three main components:

1. Assets & Liabilities:
 - rising cost of servicing debt related to capital spending on ageing infrastructure like subway cars, buildings and roads
 - reserves inadequate to fund specific liabilities like Employee Benefits
2. Expenditures – growing faster than revenues, due to:
 - higher demand for emergency services & TTC than other Ontario municipalities
 - demand for service from population with unique socio-demographic characteristics , e.g. disproportionate immigrants, low-income seniors & children, rising low-income families
3. Revenues:
 - property tax not growing with the economy or as fast as expenditures
 - reduced business tax revenues (tax relief) to enhance jobs as Toronto's business tax is not competitive
 - limited room for user fee increases as some fees are already competitive with the surrounding municipalities, or full cost recovery not viable for others due to City policy objectives
 - inadequate funding from other orders of government for income redistributive programs, e.g. Social Assistance and Social Housing

Background - LTFP

- Unanimously approved by Council in April 2005
- Identified eight financial issues relating to Expenditures, Revenues, and Assets & Liabilities
- Contained 25 financial strategies, 17 fiscal principles and five financial policies
- Overarching goal is to achieve a fiscally sustainable city through:
 - Predictable and sustainable service funding – to allow for multi-year budgets
 - Shifting cost shared programs to provincial income tax funding
 - Ensuring affordable property taxes and fees
 - Maintaining capital assets in good state of repair
 - Stabilizing liabilities

Progress with Federal and Provincial Governments

- Federal:
 - 100% (GST/HST) rebate starting in 2004 (\$50 M/year)
 - Share of Gas Tax (5 ¢/litre) (\$155M annually to 2013/2014)
 - Various Economic Infrastructure Stimulus Programs (\$460M over 2 years to March 2011)
- Province:
 - Share of Gas Tax (2 ¢/litre) permanent and fully phased in (\$161M annually), a portion of which (\$91.6M) goes to Operating
 - Full 50% funding of Social Assistance administration costs (2010: \$53.7M)
 - Phased upload of Social Assistance and Court Security costs by 2018
 - Various one-off transit capital funding, e.g. one-time \$238M in 2008
 - However, no permanent funding for transit operating

City Actions

- New revenues: Municipal Land Transfer Tax MLTT (2010: \$170M), Personal Vehicle Tax PVT (2010: \$48M), Third-Party Sign Tax (2010: \$3.5M)
- Capital Financing Strategies:

- Debt restructuring
 - i. paid down \$600M in debt using funds from Toronto Hydro
 - ii. issued some 30 year debt for long-life assets
- Reviewed potential generation of cash from assets (monetization) such as City's investments in Enwave District Energy and Toronto Hydro
 - i. But previous council rejected monetization of Toronto Hydro
- Strategies to build up some reserves and reserve funds for the future

Below is the progress made on the key issues identified in 2005:

City's Major Financial Issues		
Identified in the LTFP 2005	Current Status (2010)	Score
Expenditures:		
<ul style="list-style-type: none"> • City has a higher cost structure than other municipalities in GTA • Demands for growth not adequately funded • Variability in certain program expenditures from year to year, e.g. economic downturns 	Costs "restrained"	✔
	Expenditures growing faster than revenue	⊖
	Social Services & Court Security upload. Restoration of full 50% funding on Ontario Works	✔
Revenues:		
<ul style="list-style-type: none"> • Business taxes not competitive • Inadequate revenue sources to fund responsibilities • Improper funding of Provincial cost-shared programs 	Improving business competitiveness	✔
	Revenues diversified	✔
	User Fees enhanced	✔
	Provincial 50% TTC Operating Funding (Seeking agreement with Province by Dec 2010)	⊖
	Share of Sales Tax	⦿
Assets & Liabilities:		
<ul style="list-style-type: none"> • Investment in ageing infrastructure lagging • Employee benefits and other liabilities not adequately funded 	<ul style="list-style-type: none"> • 10 year capital plan • More than 60% to be spent on State of Good Repair 	✔
	Debt increase mitigated	✔
	Sick Pay liability partially capped, but some liabilities still growing	⊖

Legend:			
✔	Improving or compares favourably	⦿	Little or no progress
⊖	Stabilizing or work in progress	✘	Deteriorating

Implications:

If current trends continue:

- Capital financing costs crowd out operating funding which would otherwise be available to programs

- Annual budget shortfall will continue to grow and City may continue to require unsustainable stop-gap measures such as use of one-time revenues
- City may require significant service adjustments and/or large tax increases
- Business competitiveness and credit ratings may be negatively impacted, in turn affecting cost of borrowing

Current Status and Next Steps

Expenditures

- Continue action on:
 - Efficiencies and cost containment
 - Salary and benefit restraint
 - Rationalization of selected services (may require difficult Council decisions)

Assets and Liabilities

- Maximize corporate asset values and pay down debt
- Continue to increase capital from current financing
- Continue actions to reduce unfunded liabilities

Revenues

- Continue actions to grow tax base:
 - to improve business competitiveness
 - to improve land use intensification for areas of population growth as laid out in the Official Plan
 - Develop multi-year strategies for User Fees
 - Pursue Provincial and Federal fair share funding:
 - Permanent and predictable transit operating funding (50%)
 - Upload of Social Housing costs/ National Housing Strategy
 - Share of revenues that grow with the economy, e.g. income tax and/or sales tax
 - National Transit Strategy (capital)

Below is a summary of the City's ten-year vision:

	Current (2010)	Vision (2020)
Expenditures	<ul style="list-style-type: none"> • Salary costs grow at faster than inflation (arbitration) • Non-salary costs grow at above inflation • Limited service expansion 	<ul style="list-style-type: none"> • Salary & non-salary costs grow at inflation • Service expansion as new revenues allow
Assets & liabilities	<ul style="list-style-type: none"> • Rebuilding asset base • Unfunded liabilities increasing 	<ul style="list-style-type: none"> • Assets rationalized & stabilized • Unfunded liabilities minimized
Property Tax	<ul style="list-style-type: none"> • Over reliance on property tax base • Competitive Business tax being phased in 	<ul style="list-style-type: none"> • Business tax competitive • Access to full tax base
User Fees	<ul style="list-style-type: none"> • Grow at inflation • Partial full cost-recovery • Some exemptions 	<ul style="list-style-type: none"> • Grow at inflation • Enhanced use • Appropriate exemptions
Funding from other orders of government	<ul style="list-style-type: none"> • Unpredictable & ad hoc (transit) • Partial responsibility for funding social services • Some cost-shared programs not fully funded at 50% 	<ul style="list-style-type: none"> • Stable & permanent partnership funding • 50% Transit operating funding • Provincial social programs uploaded • National Housing and Transit Strategies
Revenues that grow with economy	<ul style="list-style-type: none"> • Limited (MLTT/ PVT only 2% of budget) • Gas tax 	<ul style="list-style-type: none"> • Share of sales tax revenues with other orders of government • Gas tax

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Corporate Revenues: Property Tax, Municipal Land Transfer Tax, Personal Vehicle Tax, and Development Charges

Issue

The largest source of the City's revenues comes from property taxes, which fund approximately 40% of the City's annual operating budget.

In 2008, the City implemented two new taxes under the authority of the *City of Toronto Act, 2006*:

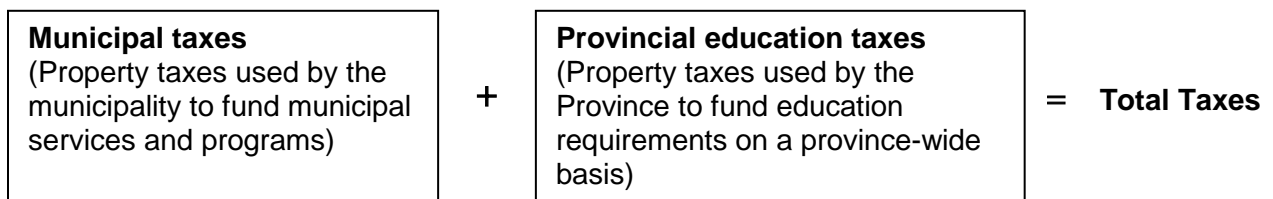
- Municipal Land Transfer Tax (MLTT), which came into effect February 1, 2008;
- Personal Vehicle Tax (PVT), which came into effect September 1, 2008.

In addition, Development Charges are an important capital financing tool for the provision of municipal services and infrastructure required to accommodate growth, intensification and/or redevelopment. The charges ensure that growth partially pays for itself so that new development (growth) does not place an undue financial burden on existing taxpayers.

Background

Property Tax

The City levies taxes for both municipal and provincial education purposes.



The municipal tax levy is based on the Current Value Assessment (CVA) of a property (as determined by the Municipal Property Assessment Corporation - MPAC), and the municipal tax rate set by City Council each year to fund its annual operating budget requirements.

The provincial education tax is based on the CVA of a property and the education tax rate is set by the Province of Ontario. Provincial education taxes are collected by the municipality and remitted to the Province.

Appendix A, attached, provides an overview of property assessment and taxation, including information on how the taxes are calculated, the Current Value Assessment system, and the City's property tax rebate, cancellation and deferral programs.

Municipal Land Transfer Tax (MLTT)

In October 2007 City Council approved the MLTT and in November 2007 Council approved the administrative design features for the program, including authorities for implementation effective February 1, 2008.

The City entered into agreements with Teranet Inc. and the Province with respect to the collection of the taxes:

- Teranet is the City's exclusive authorized MLTT collection agent for all electronically-registered transactions (approximately 97% of total transactions) over a ten year contract term; and,
- the Province assists with the collection of over the counter payment transactions at Provincial offices (approximately 3% of total transactions).

Council adopted a tiered MLTT rate structure based on varied levels of the value of consideration for the conveyance.

For properties containing at least one, and not more than two, single family residences the rates are as follows:

Residential Properties containing at least one, & not more than two, single family residences	
Value of Consideration	MLTT Rate
Up to and including \$55,000.00	0.5% plus
\$55,000.01 to \$400,000.00	1.0% plus
Over \$400,000.00	2.0%

For all other properties the rates are:

Value of Consideration	MLTT Rate
Up to and including \$55,000.00	0.5% plus
\$55,000.01 to \$400,000.00	1.0% plus
\$400,000.01 to \$40,000,000.00	1.5% plus
Over \$40,000,000.00	1.0%

Personal Vehicle Tax (PVT)

In October 2007 City Council approved the PVT, and in April 2008 Council approved the administrative design features and authorities for implementation effective September 1, 2008. In addition, in June 2010, Council approved amendments with respect to the PVT refund policy.

The City entered into an agreement with the Province (Ministry of Transportation and Service Ontario) to act as the City's authorized agent for the collection, enforcement and administration of the PVT.

PVT is assessed and collected at the following flat rates (for each vehicle licence plate renewal) at the time when vehicle licence plates are renewed:

Type of Vehicle	PVT Annual Rate
Passenger Car	\$60
Light Commercial Vehicle (gross weight less than 3,000kg/personal use)	\$60
Motor or Limited Speed Motorcycle	\$30
Motor Assisted Bicycles (Moped)	\$30

PVT is only refunded:

1. if PVT is paid/collected in error; or,
2. if the vehicle ownership or the owner's address changed prior to the beginning of a full renewal year for which the tax was paid; or,
3. for owners of taxicabs licensed in the City for which the tax is paid.

Development Charges

The *Development Charges Act, 1997* (the Act) provides the legislative authority for municipalities to impose development charges. The City's current development charge by-law (no. 275-2009) was adopted by Council on February 25, 2009 and came into force and effect on May 1, 2009.

Development charges help to pay for the cost of providing municipal services required as a result of new development in the City.

The City's development charges are calculated, payable and collected as of the date that a building permit is issued. The residential charges are differentiated by type of unit and the non-residential charges are based on the non-residential floor area located on the ground floor. Appendix B, attached, provides additional information on development charges.

Implications

Property Tax

In 2010, the City levied approximately \$3.5 billion for municipal purposes and a further \$1.9 billion on behalf of the Province of Ontario for education purposes.

MLTT

In 2009, the City generated net MLTT revenues of \$178.4 million (\$181.7 million in gross revenues less \$3.3 million in fees and administration costs).

In 2010, we expect to generate estimated net revenues of \$240 million (\$246 million gross less \$6.0 million in fees and administration costs).

PVT

In 2009, the City received net revenues of \$50.9 million from PVT (\$51.7 million gross revenues less \$0.8 million in fees and administration costs).

In 2010, we project that net revenues of \$50.7 million will be generated from PVT (\$52.3 million gross revenues less \$1.6 million in fees and administration costs).

Development Charges

The City collects approximately \$60 million per year in development charges.

Current Status and Next Steps

Property Tax

Tax rates for all property classes are set annually, by by-law. Tax rates for the municipal portion of taxes are determined by Council, following the adoption of the annual operating budget, so as to raise the amount needed to meet the City's approved budget for that year. Tax rates for the education portion of taxes are set by the Province each year by regulation.

In addition, Council must authorize an interim property tax levy and enact an interim levy by-law in December of each year, to permit the City to raise the property tax revenues needed to fund its early to mid operations for the following year until such time as the Operating Budget and final tax levy are approved by Council.

The interim levy is based on 50% of the previous year's total property taxes payable. Interim property tax bills are mailed in January, with instalment due dates of March 1st, April 1st and May 1st, unless property owners have enrolled in one of the City's pre-authorized property tax payment plans. The interim levy by-law for 2011 is scheduled to be adopted at the inaugural meeting of Council on December 7 and 8, 2010. The link to the August 2010 staff report on the 2011 interim property tax levy is available at:

<http://www.toronto.ca/legdocs/mmis/2010/ex/reports/2010-08-16-ex46-cr.htm#EX46.28> (See item EX46.28: *Property Taxes: 2011 Interim Levy By-Law*)

MLTT

There has been a significant volatility in the real estate market over the last 24-months, related to confidence in the economy, interest rate levels, and introduction of the HST. While 2010 revenues exceeded expectations, 2011 is forecasted to exhibit more moderate market activity, prices, and resultant tax revenues.

Staff are also pursuing minor administrative improvements, including an examination of fees for certain transactions, and reviewing plans for the end of the Teranet collection contract in 2018.

PVT

At its special meeting held on April 15, 2010, Council directed the Deputy City Manager and Chief Financial Officer to develop an exemption from the PVT for residents of Toronto who are over the age of 65 and/or disabled, and who have a gross annual income of less than \$50,000, and to report to Executive Committee with an implementation plan for the 2011 budget process. Preliminary discussions are underway with the Canada Revenue Agency (CRA) on a disclosure process to confirm eligibility of seniors and/or disabled residents based on income threshold. CRA's agreement to provide the services to the City would depend on, for example, internal policy clearance on privacy issues, and finding a cost-efficient approach to confirm income eligibility that is acceptable to the City. As requested by Council, a

report will be submitted to Committee and Council as part of the 2011 budget process.

In addition, the City Manager has been directed to report to Executive Committee in 2011 on a graduated refund system for PVT. The link to the August 2010 Council decision document is available at: <http://www.toronto.ca/legdocs/mmis/2010/ex/reports/2010-08-16-ex46-cr.htm#EX46.13> (See item EX46.13: *Personal Vehicle Tax - Refund Policy: Feasibility of Additional Refinements*)

As identified in the above report, a graduated refund system and policies that more closely resemble the Provincial vehicle registration system would be prohibitively costly for the City to implement independently. Significant efficiencies would be realized if a graduated refund system was implemented in cooperation with the Province of Ontario's vehicle licensing/registration system. Due to a multi-year system vehicle permit modernization project and other policy matters, the Province is currently not in a position to consider a proposal to program and implement a graduated (monthly) refund system for the City. Further discussions with Provincial staff will be required regarding Provincial support for potential City system changes, technical feasibility, cost, privacy issues, and impact on Provincial operations and policies. The results of these discussions will be reported to Council in 2011.

Development Charges

The City's development charge by-law expires in May 2014. The City will need to adopt a new by-law before the current by-law expires should it wish to continue to collect development charges.

Prior to adopting a new by-law, the *Development Charges Act* requires the completion of a comprehensive Background Study that takes into consideration, among others:

- population and employment growth forecasts
- the City's long-term infrastructure needs
- 10-year historical service standards
- allocation of costs between types of development (residential v/s non-residential)
- allocation of benefit between existing and new development
- an assessment of costs to be incurred during the term of the by-law
- the availability of subsidies and/or grants, and
- uncommitted excess capacities and development charge reserve funds.

The Background Study determines the maximum development charges rates that can be imposed by a municipality. Council is required to hold at least one public meeting prior to adopting a new by-law. The process for updating the development charge by-law typically required eighteen months to complete.

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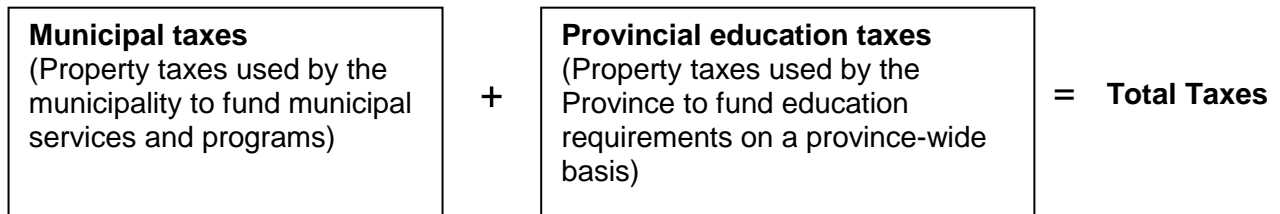
**Corporate Revenues:
Property Tax, Municipal Land Transfer Tax, Personal Vehicle Tax,
and Development Charges**

Appendix A: Introduction to Property Taxes and Assessment

Property Taxation

Property taxes represent the City's largest single source of revenue, generating approximately \$3.5 billion for the City annually. A further \$1.9 billion in property taxes are collected on behalf of the Province of Ontario to fund the costs of education.

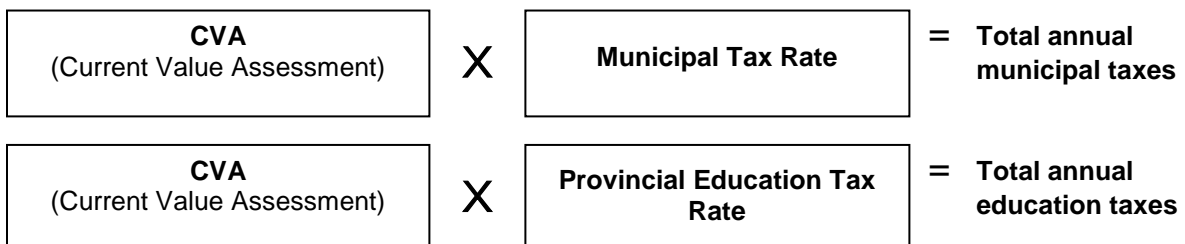
Property taxes are made up of 2 components:



The municipal tax bill shows the municipal tax and provincial education tax amounts separately, as well as the combined total taxes payable (Provincial education taxes are collected by the municipality and remitted to the Province for education purposes).

How Property Taxes are Calculated

For Residential properties, annual property taxes (both the municipal tax portion and the provincial education tax portion) are calculated by multiplying the Current Value Assessment (CVA) of a property by the appropriate tax rate.



TOTAL TAXES = Total annual municipal taxes + Total annual education taxes

Current Value Assessment (CVA)

The Current Value Assessment, or CVA, of a property represents an estimated market value at a fixed point in time, or the amount the property would sell for in an arm’s length, open market sale between a willing buyer and a willing seller. The CVA value for a property is shown on the property tax bill.

CVA values for all properties are determined by the Municipal Property Assessment Corporation (MPAC). MPAC updates the CVA of all properties periodically to reflect changing market values. For the tax years 2009 through 2012 inclusive, properties have been reassessed to reflect a January 1, 2008 valuation date. Reassessments are now conducted on a four-year cycle with Current Value assessment (CVA) increases being phased-in between the four year periods. As such, increases arising from the 2009 reassessment are being phased-in at incremental increases of one quarter of the total increase, spread over the 2009 to 2012 taxation years.

A CVA decreases are not subject to phase-in and will be applied immediately. The next assessment update will take place for taxation years 2013-2016, with the valuation date being January 1, 2012. Chart 1 below provides the valuation dates used for each taxation year from 1998 through 2016.

Chart 1: Reassessment Cycle

Taxation Years	Assessment Valuation Date
1998, 1999, 2000	June 30, 1996
2001, 2002	June 30, 1999
2003	June 30, 2001
2004, 2005	June 30, 2003
2006, 2007, 2008	January 1, 2005
2009, 2010, 2011, 2012	January 1, 2008 (Increases phased-in over 4 years)
2013, 2014, 2015, 2016	January 1, 2012 (Increases phased-in over 4 years)

MPAC mails *Notices of Assessment* to all property owners in November of the year preceding the province-wide reassessment. The Notices of Assessment provide the updated CVA for the property and the planned phase-in assessment values that will be used for taxation in each year of the 4-year phase-in period. In non-reassessment years, notices are only sent to property owners where properties have experienced a change in CVA, tax classification or where the ownership has changed.

If a property owner feels that their property has been valued incorrectly or that other information identified on the Notice of Assessment (e.g. assessed owner or location and property description) is inaccurate, they may contact MPAC at 1-866-296-6722 (toll free) to discuss their assessment or verify details about their property.

Residential Properties

If the owner still has concerns about the assessment of the property and a portion of the property is classified within the **residential, farm, managed forest** or **conservation land** tax classes the owner MUST first:

1. File a Request for Reconsideration (RFR) with the Municipal Property Assessment Corporation (MPAC). The deadline to file a RFR in any year is March 31st of the taxation year to which the RFR applies.
2. Receive the RFR decision BEFORE filing an appeal with the Assessment Review Board (ARB).
3. File an appeal with the ARB before the deadline, which is 90 days from the mailing date on the RFR decision.

There is no fee for a Request for Reconsideration with MPAC. An application form may be obtained directly from MPAC or by visiting their website at www.mpac.ca. The fee to file an appeal to the ARB for residential properties is \$75.00 per property per taxation year.

Non-Residential Properties (Commercial, Industrial or Multi-Residential)

For all other property types, the owner may choose to either file a RFR with MPAC or file an appeal directly with the Assessment Review Board (ARB). If the owner does not file a RFR, the deadline to file an appeal directly with the ARB is March 31st of the taxation year to which the appeal relates, or 90 days from the notice date for other types of assessments (e.g. mid-year supplementary or omitted assessments).

The fee for filing an appeal for non-residential properties (commercial, industrial or multi-residential tax classes) is \$150.00 per property per taxation year.

2010 Assessment Changes

The 2010 phased-in CVA for the residential property class has appreciated on average by 5.2% as compared to 2009 phased-in CVA. The average assessed value for all residential property types for 2010 taxation is \$407,374, as compared to \$387,217 for 2009 taxation purposes.

In reassessments, tax shifts between properties within a property class will occur – a property which appreciates at a rate greater than the class average will experience an increase in tax burden, and conversely, a property which appreciates at a rate less than the class average will experience a decrease in tax burden. Similarly, during reassessments, tax shifts between property classes will also occur – property classes that appreciate at a rate greater than the City-wide average will experience an increase in tax burden, and conversely, property classes that appreciate at a rate less than the City-wide average will experience a decrease in tax burden.

In Toronto, for 2010, the City-wide CVA change is an increase in total assessed value of 5.58% across all property classes. The increase in CVA for the commercial property class is 8.23%, and for the industrial property class, 9.47%, which are above the City-wide average. Increases in CVA for the residential and multi-residential classes are 5.20% and 2.42%, respectively, which are below the City-wide average. As a result, there was a shift in tax burden from the residential and multi-residential classes to the business classes in 2010.

Reassessment, at the municipal level, is revenue neutral; it results only in the re-apportionment of taxes between properties and does not generate any additional revenue for the City. The adoption of any new tax relief measures (e.g. for seniors and/or charities and similar organizations) may necessitate a municipal levy increase in certain classes or across all property classes, to offset the cost of such measures. Furthermore, provincially imposed rules may result in a municipal tax shift between property classes. Finally, in property classes affected by provincial education tax rates, reassessment may result in shifts in the education tax levy between municipalities.

Any new tax policies or impacts arising from the continued phase-in of assessment increases in 2011 will be reported to Council early in 2011, in conjunction with the staff report on the final property tax levy. This report is submitted at the time that final tax rates are adopted by Council, following approval of the 2011 operating budget.

2010 Tax Rates

Tax rates for all property classes are set annually, by by-law. Tax rates for the municipal portion of taxes are determined by Council so as to raise the amount needed to meet the City's approved budget for that year. Tax rates for the education portion of taxes are set by the Province each year by regulation.

Property Tax Class and description	2010 Municipal Tax Rate	2010 Education Tax Rate	2010 Total Tax Rate
Residential <i>Single family residential, residential condominiums, and multi-unit buildings with 6 or fewer residential units</i>	0.5895702%	0.2410000%	0.8305702%
Multi-Residential <i>Multi-unit rental buildings with 7 or greater residential units, residential cooperatives and co-ownership buildings</i>	1.9552517%	0.2410000%	2.1962517%
New Multi-Residential <i>As above, for buildings constructed since 2001. New Multi-Residential tax rate applies to first 35 years following construction.</i>	0.5895702%	0.2410000%	0.8305702%
Commercial – Residual (Band 1) <i>(applies to first \$1,000,000 of CVA) Commercial properties not included within the Commercial- General Tax Class</i>	1.8423459%	1.6615560%	3.5039019%
Commercial – Residual (Band 2) <i>(applies to CVA amounts > \$1,000,000) Commercial properties not included within the Commercial- General Tax Class</i>	1.9367482%	1.6615560%	3.5983042%
Commercial – General <i>Commercial properties classified as shopping centres, large office buildings, parking lots, vacant land and large sports facilities</i>	1.9367482%	1.6615560%	3.5983042%
Industrial <i>Industrial properties used for manufacturing, warehousing, etc.</i>	1.9900160%	1.7040030%	3.6940190%
Farmlands <i>Lands used for farm purposes</i>	0.1473925%	0.0602500%	0.2076425%
Pipelines <i>Lands used for or in connection with pipelines</i>	1.1340760%	1.6890270%	2.8231030%
Managed Forests <i>Lands meeting the definition of “Managed Forest” under the Assessment Act.</i>	0.1473925%	0.0602500%	0.2076425%

Capping and Claw-backs

Capping and claw-backs apply to properties in the Commercial, Industrial and Multi-residential classes *only*.

The CVA system was first introduced by the Province in 1998. In Toronto and other cities that had not been regularly reassessed over time, the implementation of full CVA without tax mitigation measures would have resulted in significant tax impacts for many commercial, industrial and multi-residential property owners. In response to these impacts, provincial legislation mandated a cap on allowable annual tax increases for commercial, industrial and multi-residential properties. To fund the revenue shortfall from the caps, municipalities withhold a portion of annual tax decreases (claw-backs).

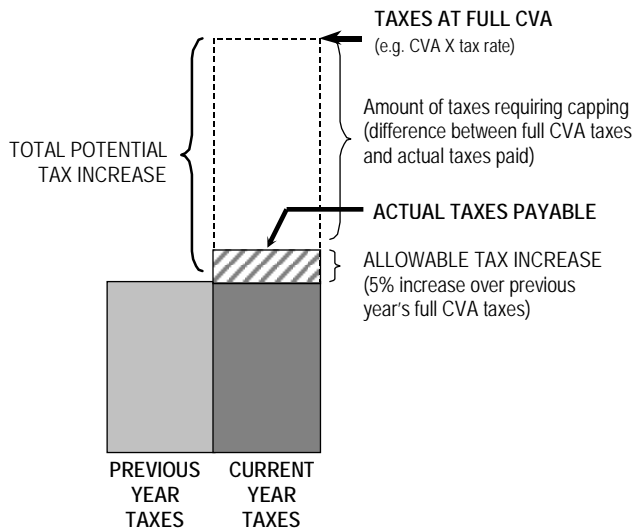
Tax Caps

In each year since 1998, any property that would have faced a significant tax increase as a result of moving to CVA has been protected from large tax increases by the imposition of a tax cap that places a limit on the annual allowable tax increase. In 2001, a **5%** cap on allowable increases was introduced and applied to all commercial, industrial and multi-residential properties. The 5% cap is based on the previous year's CVA taxes (taxes before phase-in tax changes) and will continue to apply each year until all properties have reached full CVA taxation levels.

Claw-backs

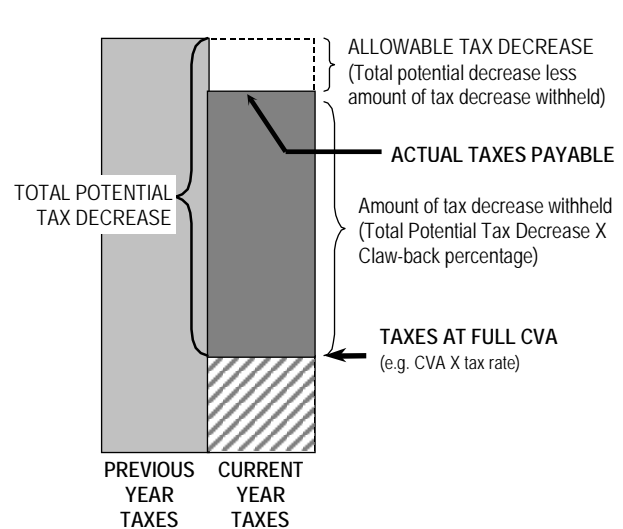
In order to make up the revenue shortfall caused by the tax caps, the *City of Toronto Act, 2006* provides that properties that would otherwise be entitled to tax decreases as a result of the move to CVA would have a certain percentage of the tax decrease withheld, or clawed-back, in order to fund the caps. The claw-back percentage for each class (the amount of the decrease that is withheld) is calculated each year in an amount sufficient to fund the cost of the caps in each of the commercial, industrial and multi-residential tax classes.

How Capping and Claw-back works



PROPERTY SUBJECT TO CAPPING

(Tax increases phased-in over time)



PROPERTY SUBJECT TO CLAW-BACK

(Tax decreases phased-in over time)

Tax Levy Restriction on Commercial, Industrial and Multi-Residential Properties

Toronto's ability to generate additional property tax revenue from commercial, industrial and multi-residential properties is limited by the *City of Toronto Act, 2006* and provincial regulatory provisions. The *City of Toronto Act, 2006* limits the tax increase that can be passed on to the commercial, industrial and multi-residential property tax classes to 50 per cent of the residential class tax increase, where the tax ratios for the non-residential tax classes exceed prescribed provincial "threshold" ratios.

Tax Rate Reductions for Non-Residential Properties

In 2005, Council adopted the "Enhancing Toronto's Business Climate" initiative, a comprehensive action plan consisting of incentives and initiatives intended to enhance the City's business competitiveness over the long term. A key element of this plan included reducing business property tax rates to a target of 2.5-times the residential tax rate within a 15-year period (by 2020). In 2008, this element was enhanced to establish a small business tax class for which the tax reduction was to be accelerated to achieve the target ratio within a 10-year period (by 2015). As of 2010, this plan is ahead of schedule by 2-3 years, with small businesses projected to reach the target by 2013, and the rest of commercial by 2017.

For additional information on Council's tax policies for commercial properties, please refer to the section entitled *Business Competitiveness Strategies* within the new Council briefing materials.

Tax ratios are an indicator that compares the tax rate of a class to the residential rate. Tax ratios can be used to compare taxation levels between different classes within a municipality, or to compare a municipality's tax rates against provincial standards (e.g. ranges of fairness or threshold ratios) for a class.

Threshold tax ratio levels are determined by the Province and established by regulation every year. Threshold ratios are set at the provincial average tax ratio for each class.

Toronto's Tax Ratios and Provincial Threshold Ratios

	Commercial	Industrial	Multi-Residential
Provincial Threshold Ratios	1.98	2.63	2.74
Toronto's 2010 Tax Ratios	3.27	3.37	3.46
Toronto's Target Ratios*	2.50*	2.50*	2.50*

*** to be reached by 2017 (2013 for small businesses) as per Enhancing Toronto's Business Climate**

Tax Ratio Defined

Ratio of the tax rate for a property class in comparison to the residential tax rate.

(Tax ratios apply to the municipal portion of taxes only).

Example:

$$\frac{\text{Commercial tax rate}}{\text{Residential tax rate}} = \frac{1.9263818\%}{0.5895701\%} = \mathbf{3.27} \text{ Commercial tax ratio}$$

A commercial tax ratio of 3.27 means the commercial tax rate is 3.27 times the residential tax rate.

Special Property Tax Programs

Charity Rebate Program

Registered charities may be eligible to apply for a rebate of 40% of property taxes paid (municipal + education portion of taxes). To be eligible, charities must:

- have a valid charity registration number issued by Canada Customs and Revenue Agency; and
- occupy space in a commercial or industrial property.

Applications for rebate of property taxes must be submitted to the City of Toronto by **February 28th** of the year to which the rebate applies. This deadline for applications is established under the *City of Toronto Act, 2006*.

Vacancy Rebate Program For Commercial and Industrial Buildings

If a commercial or industrial building is entirely or partially vacant during the taxation year and meets the legislated eligibility criteria, they may apply for a rebate of property taxes payable on the eligible vacant portions of the property. The amount of the rebate for commercial properties is 30% of the property tax attributable to the eligible vacant space. For industrial properties, the rebate is 35% of the tax attributable to the eligible vacant space. In both cases the property taxes and rebate amount paid are based on the municipal and education portion of taxes.

A maximum of two applications per year may be submitted. One application may be submitted for all vacancies that occur during the entire tax year. Alternately, two applications may be submitted, one for vacancies that occur during the first six months of the year and a second application for vacancies that occur during the last six months of the year.

To be eligible:

- the entire building must be unused for at least 90 consecutive days;
- the unused portion of the building must be clearly delineated or physically separated from the used portions of the building; and,
- a commercial building must be capable of being leased for immediate occupation, or undergoing or in need of repairs, renovations or construction that prevent it from being available for lease for immediate occupation.

Applications for vacancy rebates of property taxes must be submitted to the City of Toronto by **February 28** of the year following the taxation year to

which the application applies. This deadline is established under the *City of Toronto Act, 2006*.

Tax Appeals

An application for a tax appeal to cancel, reduce or refund taxes for any year or portion of a year may be submitted to the City for reasons such as:

- i. property is eligible to be reclassified to a different class;
- ii. property has become vacant land or excess land;
- iii. property has become exempt from taxation;
- iv. property has been razed/damaged by fire, demolition or otherwise;
- v. mobile unit has been removed;
- vi. taxpayer has been unable to pay taxes due to sickness or extreme poverty;
- vii. taxpayer has been overcharged due to gross or manifest clerical error;
or,
- viii. property could not be used for at least three months due to repairs or renovations.

The last day to file an application for the taxation year is **February 28th** of the year following the taxation year to which the application applies, as established under the *City of Toronto Act, 2006*. Applications are available at all Cashier/Enquiry Counters located in City Hall and all Civic Centres.

Residential Property Tax Increase Deferral Program

This program gives low-income seniors and low-income persons with a disability the opportunity to apply for a deferral of property tax increases.

To qualify for a deferral of a property tax increase the applicant must:

- have a combined household income of \$50,000 or less **and**
- be 65 years of age or older; **or**
- be 60-65 years of age and be in receipt of a Guaranteed Income Supplement under the Old Age Security Act: if widowed, be in receipt of the Spouse's Allowance under the Old Age Security Act: **or**
- be 50 years of age or older and be receiving either a pension or a pension annuity resulting from a pension plan under the income Tax Act (Canada); or
- be a person with a disability and be in receipt of disability benefits.

Eligible applicants may be able to defer all of their property tax increase (municipal plus education portions of taxes) in that year. Homeowners who have owned and occupied their home for at least one year may be eligible. The deferred taxes are treated as a special lien against the title of the

property and must be paid when there is a change in ownership, eligibility or principal residence. Interest is not charged on the deferred tax amount.

If a taxpayer applied for and received a deferral last year, he/she should continue to apply each year, even where taxes may have decreased, to ensure they obtain the maximum benefit under this program. Individuals must apply annually to participate in this program. Applications for the residential property tax deferral program must be submitted to the City by **August 31st** of the taxation year to which the application applies, as established under City by-law.

Residential Property Tax Increase Cancellation Program

This program gives low-income seniors and low-income persons with a disability the opportunity to apply for a cancellation of property tax increases.

To qualify for a cancellation of a property tax increase the applicant must:

- have a combined household income of \$36,000 or less **and**
- have a residential assessment of \$525,000 or less **and**
- be 65 years of age or older; **or**
- be 60-64 years of age and be in receipt of a Guaranteed Income Supplement under Old Age Security Act; if widowed, be in receipt of the Spouse's Allowance under the Old age Security Act; **or**
- be a person with a disability and be in receipt of disability benefits.

If a property owner applied for and received a cancellation last year, he/she should continue to apply each year, even where the taxes may have decreased. This will ensure they obtain the maximum benefit of this program.

Applications for the tax increase cancellation program must be submitted to the City by **August 31st** of the taxation year to which the application applies, as established under City by-law.

Application forms for both the Residential Property Tax Increase Deferral and Cancellation programs are available at tax/water enquiry counters located at all Civic Centres and City Hall or from the City's website at:

http://www.toronto.ca/taxes/pdf/2010_rebate_application.pdf

Ethno-Cultural Centres

The City's ethno-cultural tax rebate program provides a rebate of 100 per cent of the property taxes payable (municipal + education portion of taxes) by eligible ethno-cultural centres. To qualify, an ethno-cultural centre must be accessible to the community and must promote culture within a multi-cultural context of Canadian society and for the facilitation of communication and understanding of culture, education, arts and trade.

Additional criteria to qualify for a rebate under this program include:

1. the organization must be a registered charity within the meaning of the *Income Tax Act* (Canada);
2. the organization must own, occupy and use the eligible property for the purposes of an Ethno-Cultural Centre; and
3. no taxes for previous years remain in arrears on the eligible property.

The deadline to apply for a rebate under this program is December 31st of the year preceding the taxation year to which the application applies, as established under City by-law.

Property Tax Relief for Veteran's Clubhouses and Legion Halls

The City's property tax rebate program for Veterans' Clubhouses and Legion Halls provides for a 100 per cent rebate of property taxes payable (municipal plus education portion of taxes) for eligible Veterans' Clubhouses and Legion Halls, including memorial homes. Eligible property includes:

- Lands or building, or a portion thereof, used as a memorial home, clubhouse, or athletic grounds for veterans of the naval, military or air forces of Canada, Great Britain or Her Majesty's allies.

A memorial home is defined as a facility that provides affordable housing or rental housing units at below average rents, as defined in the City of Toronto Municipal Housing Facilities By-law, for veterans or spouses thereof, of the naval, military or air forces of Canada, Great Britain or Her Majesty's allies.

To be eligible for the rebate, an organization must also:

- apply annually to receive the rebate;
- notify the City Treasurer of any changes in circumstances which would alter its status as an eligible organization;
- not be in arrears of taxes on the eligible property, or on a non-eligible portion of the property occupied by the organization;
- provide copies of relevant leases and written confirmation from the landlord of the taxes payable for the eligible portion of the property where the property is occupied under a lease.

The deadline to apply for a rebate under this program is September 30th of the year preceding the taxation year to which the application applies, as established under City by-law.

Water Rebate Program

Seniors (as defined below) and persons with a disability who consume less than 400 cubic metres (m³) of water each year, and who have a household income of \$50,000 or less and may apply for a rebate on the water portion of their utility bill.

To qualify for the water rebate program, applicants must:

- have a combined household income of \$50,000 or less;
 - consume less than 400 m³ annually;
 - have metered water service in your home. If you have applied for a meter to be installed in your home, and are still on a flat rate billing program, you may submit your application to be considered;
 - provide a meter reading on or after December 31 if required.
- and**
- be 65 years of age or older, OR
 - be 60-64 years of age and be in receipt of a Guaranteed Income Supplement under the Old Age Security Act; if widowed, be in receipt of the Spouse's Allowance under the Old Age Security Act, OR
 - be 50 years of age or older and be receiving either a pension or a pension annuity resulting from a pension plan under the Income Tax Act (Canada), OR
 - be a person with a disability and be in receipt of disability benefits.

Applications for the water rebate program must be submitted to the City by **August 31st** of the calendar year to which the application applies, as established under City by-law. Application forms are available at tax/water enquiry counters located at all Civic Centres and City Hall or from the City's website at: http://www.toronto.ca/taxes/pdf/2010_rebate_application.pdf.

**Corporate Revenues: Property Tax, Municipal Land Transfer Tax,
Personal Vehicle Tax, and Development Charges**

Appendix B: Development Charges

The money collected through development charges is deposited into service-specific development charge reserve funds based on the percentages set out below. As part of the City's annual capital budgeting and planning process, Council approves the development charge funding to apply to eligible capital projects.

Service	Residential Percentage Allocation	Non- residential Percentage Allocation
Spadina Subway extension	12.40%	12.17%
Transit (balance)	18.15%	24.66%
Roads and related	16.75%	23.00%
Water	13.20%	20.72%
Sanitary sewer	1.54%	4.63%
Storm water management	2.29%	3.61%
Parks and recreation	15.85%	1.23%
Library	5.70%	0.44%
Subsidized housing	6.92%	0.00%
Police	1.97%	2.68%
Fire	0.85%	1.16%
Emergency Medical Services	0.15%	0.07%
Development-related studies	1.52%	2.08%
Civic improvements	1.19%	1.63%
Child care	1.19%	1.62%
Health	0.29%	0.05%
Pedestrian infrastructure	0.04%	0.25%
Total	100.00%	100.00%

The key policies in the City's current by-law are as follows:

Transition Provisions

- Rates in effect as of the date of adoption of the current by-law (2009) were frozen until January 31, 2011, except for indexing commencing on February 1, 2010, and annually thereafter.
- From February 1, 2011, in addition to annual indexing, a graduated phasing-in of the increase in the rates will occur depending on the level of residential construction activity in the City as determined by

the number of units issued building permits in a preceding 12-month period.

- Possible annual increases on each February 1, from 2011 to 2014 as follows (% of the overall increase between adopted rates and the rates in effect on the date of by-law adoption):

Number of units issued building permit	Percentage increase to be implemented
< 7,000	0%
7,000-7,500	5%
7,501-8,000	10%
8,001-8,500	15%
8,501-9,000	20%
> 9,000	25%

- Depending on economic conditions, 100% of the adopted charge could potentially be phased-in by February 1, 2014.

Other policies

- Exemptions are provided for certain types of development including non-profit (rental) housing, industrial development, colleges and universities, public hospitals, places of worship, buildings approved for a grant under the Imagination and Manufacturing, Innovation and Technology Financial Incentives program, and any non-ground floor non-residential floor area (e.g. the non-residential charge only applied to the ground floor of a building).
- A 20% development charge refund for developments achieving Tier 2 of the City's Toronto Green Standard requirements.
- Indexing of the rates on February 1 of each year based on the latest annual change in the prescribed Statistics Canada index.
- A reduction in the charges for redevelopment, with certain restrictions.

From 2005 to 2009, the City collected approximately \$60 million in development charges annually on average. Future development charges revenues depend on the amount of the charge that is phased-in, as well as the level of development activity in the City. Development charge reserve funds as at December 31, 2009 amount to \$248.9 million (cash balance) and commitments to capital projects amount to \$302 million between 2009 to 2013.

More information on the City's development charges, including the current development charge rates and links to the by-law, Background Study, staff reports and presentations leading up to by-law adoption, can be found here: http://www.toronto.ca/finance/dev_charges.htm.

Capital Financing, the Issuance of Debentures and Credit Ratings

Issue

In order to fund physical infrastructure, municipalities can issue debt in conjunction with other methods of capital financing such as contributions from the operating budget ("capital from current") and reserves and reserve funds. The size of the City of Toronto's capital expenditures necessitates the use of debt to assist in the financing of the projects contained in the capital budget. Debt can provide the City with more affordable financing by matching the repayment term to the economic useful life of the project instead of funding the entire cost from current revenues. Otherwise, present taxpayers would be paying for the entire cost of a project that will be operating for many years and provide a benefit to future residents.

Background

The City, as well as other Ontario municipalities, may issue long-term debt only for capital purposes and cannot borrow for current operations (except through the issuance of promissory notes which must be repaid when the current year's tax levy is received). The City is governed by the *City of Toronto Act 2006* which has specific debt regulations that apply to the City.

Under *the City of Toronto Act*, debt can only be issued for capital projects that are approved by Council in an amount that is within the City's policies as established by Council. Council policy states that tax-supported debt charges, consisting of principal and interest and funded from the operating budget, cannot exceed 15% of the City's property tax assessment and net debt cannot exceed \$3.5 billion. Net debt is defined as the City's gross debt less the amount in the Sinking Fund that has been accumulated for the future repayment of debt when it matures.

Municipalities differ from other orders of government since the principal must be amortized over the term of the debenture. In contrast, the Federal and Provincial governments are allowed to refinance their debt when it matures instead of repaying the principal from their own resources. In other words, the City must pay both principal and interest while the other orders of government can pay just the interest cost of their debt.

Implications

The following chart shows the City's gross debt along with offsetting amounts in its own debt repayment ("sinking") funds and the resulting net debt owed to bond holders.

Gross Debt as of December 31, 2009	\$3.300 Billion
Less: Sinking Fund Investments	(1.032) Billion
Net Debt as of December 31, 2009	\$2.268 Billion

The Sinking Fund is managed by a Committee consisting of 4 Council-appointed citizen members and the Deputy City Manager & CFO as Chair. The City makes annual contributions to the Fund so that these amounts, plus investment income, will be sufficient to repay the investors who hold City debt when it matures. For example, instead of the City having to provide \$100 million when the debt matures in 10 years, it makes annual payments of \$8.4 million for 10 years plus interest income to retire the debt.

Debt Restructuring

In 2010, Council approved a debt restructuring that involved the following actions:

- Monetization (converting to cash) of the Toronto Hydro promissory note, providing \$600 million as the funds were deposited into the City's Sinking Fund to prepay principal payments for several outstanding debenture issues.
- Aligning the term-to-maturity for issued debt with the useful economic life of the asset which has resulted in a blend of 10, 15 and 30 years debentures. For example, debt of 30 years is used to pay for subway tunnels as well as other assets with longer useful economic lives of 30 years or more.
- The City participates in special funding programs offered by Canada Mortgage and Housing Corporation and the Federation of Canadian Municipalities who offer long-term debt financing at lower subsidized interest rates for projects that meet their criteria.
- These combined actions have provided the City with the flexibility to better manage its ability to be within the 15% debt charge/tax levy ratio as approved by Council.

Current Status and Next Steps

Credit Ratings

Currently, the City of Toronto's credit ratings are:

- AA with a stable outlook from the Dominion Bond Rating Service (2 levels below AAA)
- AA with a positive outlook from Standard and Poor's Canada (2 levels below AAA)
- Aa1 with a stable outlook from Moody's Investor Service (1 level below Aaa)

The City's credit ratings are reviewed annually by the respective credit rating agencies and show that the City has very strong financial policies.

Divisions/Agencies Involved

The Capital Markets section of the Corporate Finance Division issues debt for all of the City's divisions as well as most of its agencies. The Capital Markets section does not issue debt for the City's corporations who have different borrowing powers contained in their enabling legislation.

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Investments

Issue

The Corporate Finance Division invests the City's reserve funds, working capital, sinking funds, and trust funds.

Portfolio	2009 Average Portfolio Book Value ('000)
1. City of Toronto General Group of Funds (include cash assets of working capital, Reserves and Reserve Funds)	\$3,418,542
2. Sinking Funds (for the use of retiring City's sinking fund debt as it becomes due)	\$820,762
3. Trust Funds (City does not own these assets)	\$2,169
Total	\$4,241,473

Background

The Capital Markets section of the Corporate Finance Division is responsible for the internal management of the City investment portfolios. Fund management must incorporate both the legislative constraints and the risk profile of each portfolio. The City of Toronto's Investment Policy and Procedures approved by Council are the governing guidelines for the portfolios under management. The primary objectives, in priority order, for all City investment activities are:

- i. Ensure safety of principal.
- ii. Maintain adequate liquidity, i.e. funds are available when needed.
- iii. Maximize return rate while conforming to the objectives above.

The investment returns from the City's General Group of Funds have had a long track record of meeting the City's liquidity and operating budget requirements as well as contributing to the City's reserve funds.

Another measurement of portfolio performance is a comparison of the total market value return to a selected established industry benchmark. While investment returns comprise of earned interest income, realized capital gain/losses and amortized premiums/discounts, the market value return is based on the current quoted price of the investments as if securities were bought or sold in the financial markets at a given point in time. For example, as of July 31, 2010, the General Group of Funds' five-year

annualized market investment return was 0.44% (an average of \$14.5 million per year) above the market index benchmark.

The following graph depicts the 5-year comparison between the market rate of investment returns generated from the City's General Group of Funds and the industry benchmark:



Implications

Sustainable investment management must include a sound investment policy and procedures, a portfolio asset mix with good diversification and credit quality, strategic plans for different horizons, and diligent cash flow management. Investment portfolios under sustainable investment management allow the City to meet short-term and long-term debt repayments, as well as operating and capital funding requirements.

Current Status and Next Steps

Based on the 2009 annual external audit result, the portfolios under the City's management were in compliance with the Investment Policy and Procedures. The Investment Policy and Procedures are reviewed annually by investment staff and the Investment Advisory and Sinking Fund Committees. Recommendations for changes are then submitted to Council for approval. In addition, an annual investment report that provides a review of the City of Toronto's investment returns for portfolios invested in respect of the City's reserve funds and operating budget is submitted to Council for review.

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City's Reserves and Reserve Funds

Issue

Reserves and reserve funds are established by municipalities for a number of reasons including statutory regulations to keep certain funds separate, as a source of "rainy day" funding for unexpected or unusual events, to smooth cash flows related to major purchases, or to accumulate funds for future capital requirements or liabilities.

The City's reserve and reserve funds stood at \$2.6B as at December 31, 2009 made up of \$1.2B in Obligatory funds, earmarked for special purposes by way of legislation or contracts, and not available to use at Council's discretion; and \$1.4B in Council-Directed funds to protect the City against certain financial risks or for known future expenditures or liabilities (see Appendix A).

The City's financial requirements or liabilities with respect to the current service levels and current needs are well in excess of the existing Reserve and Reserve fund balances.

It is anticipated that the reserves will be drawn down further based on Council approved budgets:

- 2010 Operating Budget – A net outflow of \$110.2M excluding Water & Wastewater (Inflow \$319.6M; Outflow \$429.8M)
- 2010-2019 Capital Budget and Plan estimated a total of \$1.4B to be funded by Reserves & Reserve Funds

The Reserve and Reserve Fund balances are essentially all committed for obligations and to protect against unforeseen circumstances.

Background

Obligatory reserve funds

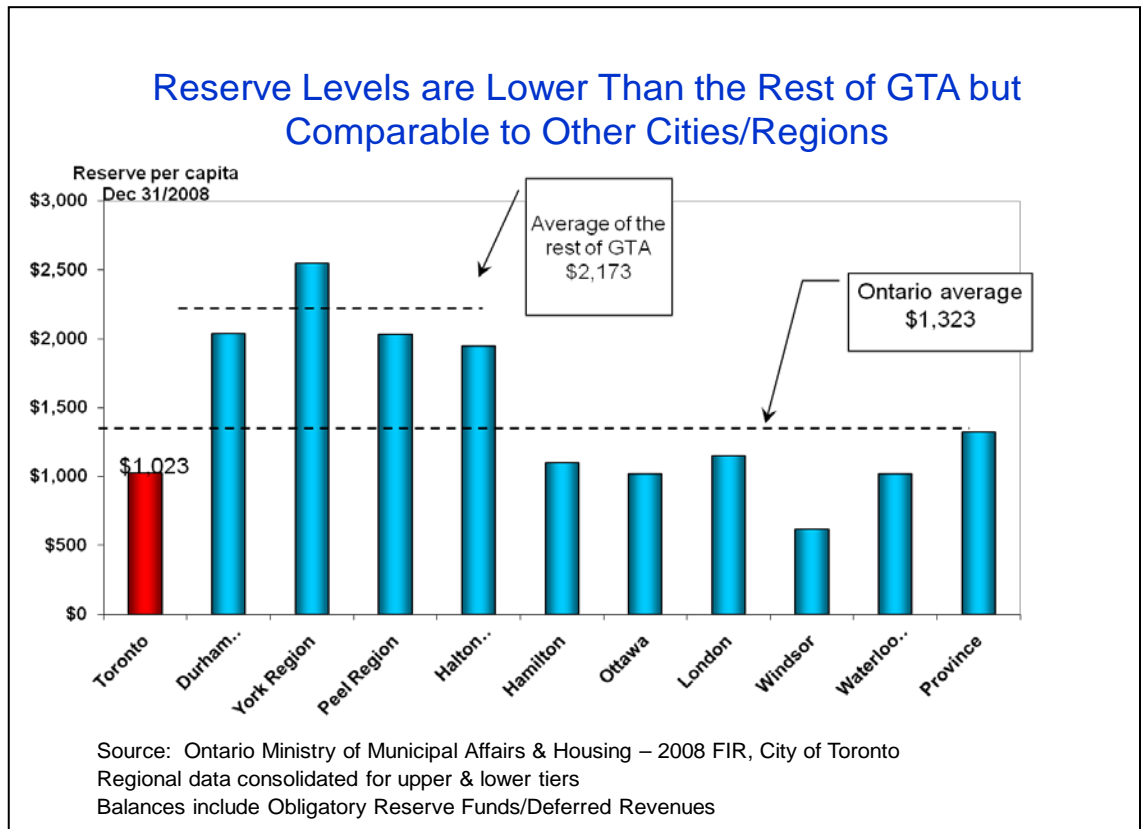
Examples include funds for Development Charges, Community Services (e.g. Ontario Works, Homes for the Aged and Social Housing Federal), Parkland Acquisition, Third Party Agreements (e.g. Better Building Partnership, Subdividers Deposit, Police OMERS Type 3, etc.), the Planning Act and those for the Parking Authority and Water & Wastewater (WWW) Capital.

Council-Directed

Made up of several major categories: Working Capital, Employee Benefits, Stabilization for Operating, Corporate, State of Good Repair (Capital), Community Initiatives and Others.

Highlights

City reserves per capita of \$1,023 dollars, was the lowest amongst major Ontario municipalities in 2008; only three quarters of the Ontario average and just under half of the rest of the GTA, as depicted in the following graph. If the City were to have the same reserve per capita as the average of the rest of the GTA, it would have \$3B in additional reserves. The fact other GTA municipalities have relatively new infrastructure in comparison to City of Toronto partially explains the large discrepancy.



Employee Benefits Reserve Fund

Although there is \$219M in the reserve, the actuarial liability for the City as at Dec 31, 2010 is estimated at \$2.1B, resulting in an unfunded liability of

close to \$1.9B. A plan is in place to stabilize the liability and improve employee benefits reserve levels:

- Phase out of sick leave benefit plan for most employees (excludes Police, Fire, EMS)
- ABCs to increase matched contributions for retired employees and employees on long-term disability
- increase in non-program budget to fund benefits reserves

Land Acquisition Reserve Fund

Although there is \$124M in the reserve, all but \$20M has been committed, including plans to acquire vacant TDSB Property, the Nathan Phillips Square Revitalization, Build Toronto and several TTC subway station Improvement initiatives.

Stabilization Reserve Funds for Operating Purposes

- Social Assistance Stabilization - Balance of \$9M is expected to be depleted by year-end as funds are transferred out to offset cost pressures associated with the increase in the welfare caseload.
- Social Housing Stabilization – Balance of \$8M is expected to be depleted by year-end as funds are transferred out to offset operating pressures.
- Extreme Weather – includes funding for snow removal, flooding and other consequences of extreme weather events – funding balance of \$19.1M not yet at desired floor of \$30M deemed appropriate for addressing increasingly volatile weather patterns.

Capital / State of Good Repair

The City has total physical assets estimated at a current requirement level of more than \$62B, with buildings, facilities and fleet alone valued at over \$9B. Funding for the repair or replacement of these assets is provided from debt, capital from current, and reserves including Council Directed State of Good Repair Reserves Funds, Obligatory State of Good Repair Reserve Funds, the Capital Financing Reserve Fund, Vehicle & Equipment Reserves and the Water/Wastewater Capital Reserve Funds.

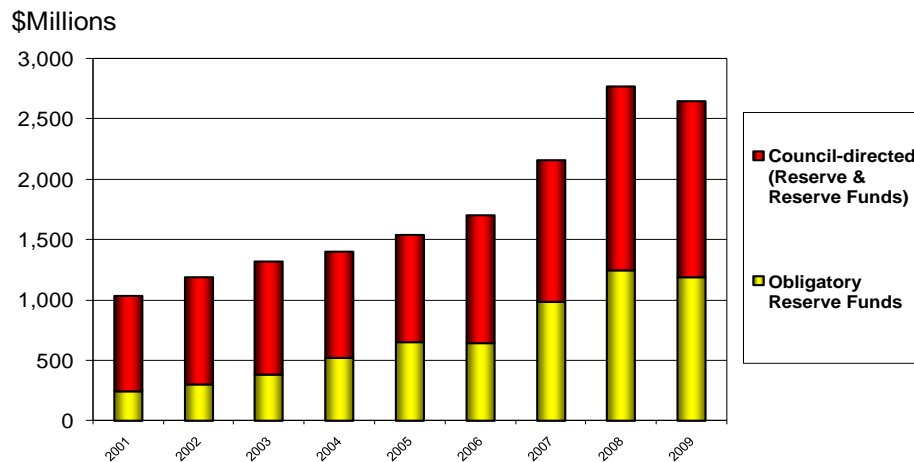
Historical Trend of Reserve Balances

The following chart shows the historical trend of reserve balances since 2001. The largest increase lies with Obligatory Funds which have specific

purposes and are fully committed to projects in the Capital Plan. Likewise, Council-directed Reserves and Reserve Funds are largely fully committed to known projects or liabilities. For example, the Vehicles and Equipment Replacement Reserves are made up of funds being set aside by the Programs to replace these assets at the end of their expected useful life. The Capital Financing Reserve is an important source of funding for the City's priority capital projects that cannot be debt financed and have no other source of funding. These funds have been earmarked for specific projects over the next five years. It is expected that the balances in Reserves and Reserve Funds will continue to drop over the next five years as funds held for major capital initiatives like transit and water/wastewater infrastructure are used up.

City's Reserves and Reserve Funds

December 31 Balances



Current Status and Next Steps

- Current funding constraints are impacting reserve/reserve fund adequacy in some areas and there are essentially no uncommitted funds available
- Finance staff will continue to conduct studies to look at appropriate levels of funding in the major reserves and work with Programs to develop plans to address funding issues
- The Reserve and Reserve Fund requirements associated with the 2011 Operating Budget and 2011-2020 Capital Budget and Plan will be addressed as the budget process progresses

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City's Reserves and Reserve Funds

**Appendix A: Reserves and Reserve Fund Balances (\$Millions)
December 31, 2008 and Dec. 31, 2009**

	Dec 31, 2008	Dec 31, 2009
Reserves		
Corporate – Capital Financing	160.8	143.4
Corporate – Vehicles & Equip. Replacement	115.5	100.4
Corporate – Other	94.1	101.1
Water & Wastewater	51.9	74.4
Stabilization	76.4	69.0
Donations	2.8	1.8
	501.5	490.1
Council Directed Reserve Funds		
Employee Benefits	222.4	219.0
Corporate	296.6	510.3
Community Initiatives	130.8	103.8
State of Good Repair	187.5	137.4
	837.3	970.5
Total Reserves and Council Directed RFs	1,338.8	1,460.6
Obligatory Reserve Funds		
Development Charges	269.9	248.9
Community Services	54.1	61.7
Parkland Acq / New Development	82.7	90.7
Third Party Agreements	29.5	35.2
Public Transit Funds	614.1	551.7
State of Good Repair	27.4	45.0
Water / Wastewater	215.2	67.4
Parking Authority	8.8	9.3
Planning Act	72.7	73.6
	1,374.4	1,183.5
Grand Total - Reserves & RFs	2,713.2	2,644.1

Delegated Authorities: Procurement, Real Estate and Finance

Issue

This briefing note provides by-law references and Council approvals for delegated authorities concerning three major areas of Financial Control for the City: Procurement, Real Estate and Finance.

Procurement

The City's Purchasing By-Law, policies, procedures and processes (including the delegated authorities outlined within this briefing note) are in place to:

- support effective, objective, fair, open, transparent, accountable and efficient procurement processes through the solicitation of multiple bids, proposals and direct negotiation; and,
- protect the interests of the City, the public and persons participating in the procurement process.

To reinforce the fairness, openness, transparency and integrity of procurement processes, consistent and standard approaches have been established for:

- selecting the appropriate type of procurement process to be used;
- communicating with vendors throughout the process;
- identifying and dealing with common irregularities in bids;
- evaluating bids/ award contracts in accordance with City Policies & Procedures;
- dealing with vendor complaints;
- providing unsuccessful vendors with feedback; and
- maintaining records on vendor performance under contracts.

Finance

The Financial Control By-law (Chapter 71 of the Toronto Municipal Code) sets out spending authority for the City as well as financial control processes, including approval requirements for changes to approved capital and operating budgets. It also outlines delegated authority for amendments to approved capital and operating budgets, over-expenditures and write offs of outstanding debt and other related matters.

The operating and capital budgets approved by Council establish the spending authority for each City Program and City Agency.

Real Estate

Council has delegated authority to senior staff to approve certain real estate matters where funding has been made available in an approved budget and subject to certain conditions being met.

Background

The Purchasing By-law (Chapter 195 of the Toronto Municipal Code), in combination with the Financial Control By-law (Chapter 71 of the Toronto Municipal Code), provides the overall framework for fair, open and effective procurement processes that meet divisional operational needs cost-effectively and efficiently, while ensuring effective financial controls and accountability.

Council at its meeting on May 11 & 12, 2010 approved the delegation of authority to approve certain real estate transactions to senior staff. In order to increase efficiency, the proposed delegation is spread across four existing staff positions based on stepped financial ceilings.

Specific authorities are provided in Appendix A.

Implications

It is in the City's best interest for all respective parties to follow the delegated authorities indicated in the Purchasing and Financial Control By-laws in order to ensure that proper authorities are being executed. Failure to follow the delegated authorities as set out in the By-laws may result in damage to the City's reputation, legal action and put the City at risk for scrutiny from the public and media.

The result of the delegation of authority for real estate matters is that Committee and Council Agendas are freed up of frequently routine real estate reports and staff can facilitate situations involving critical deadlines by reacting more quickly in the real estate marketplace and thereby improving the stage on which the City conducts its real estate transactions. Further once a transaction is approved, staff are in a position to process and execute the necessary documentation far more expeditiously. The delegation also coordinated, consolidated and harmonized various delegations that were previously approved by Council.

Current Status and Next Steps

Chapter 195, Purchasing By-law was last updated on October 27, 2009 and the next scheduled review date will be within 5 years in 2014.

Chapter 71, Financial Control By-law is currently under review and should any changes be recommended, a report recommending changes along with the explanation for the changes will be forwarded to Council for approval.

The Director of Real Estate Services is to report annually, through the Government Management Committee, on all real estate matters that have been processed by way of this delegated authority.

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Delegated Authorities – Procurement, Real Estate and Finance

Appendix A: Delegated Authorities

Purchasing

	Authority
<p>Chief Purchasing Official</p> <p>Division Heads</p> <p>City Manager</p>	<p>Up to \$500,000 (exclusive of taxes), as delegated by Council or the City Manager and where purchasing Policies and Procedures have been followed.</p> <p>In cases where the City Manager, Division Head or Delegate determines that an emergency exists (threat to public health, the maintenance of essential city services, the welfare of persons or of public property or the security of the City's interests and immediate delivery of goods and services are required), the Chief Purchasing Official may commit greater than \$500,000 without the issuance of a competitive call, however the commitment must be reported to Council through the Government Management Committee no later than the second regular meeting of Council after entering into the commitment.</p>
<p>Bid Committee</p> <p>(Summer and Election Recesses)</p>	<p>Award Contracts valued at over \$500,000 (exclusive of taxes) and equal to or less than \$20 Million (exclusive of taxes), where the lowest bidder meeting specifications and requirements or highest scoring proponent is being recommended and;</p> <ul style="list-style-type: none"> • No material written objection has been received and; • Contract does not exceed 5 years in length. • Is within approved project funding. <p>During the period between the last scheduled meeting of Council and the first meeting of a new Council after an election, or during the period between when Council breaks for summer recess and Election and the first agenda closing deadline for the appropriate Standing Committee following the break or if a regularly scheduled meeting of the standing committee to which a bid or proposal would</p>

	normally be reported to for award is cancelled for whatever reason, the Bid Committee is authorized to award contracts normally awarded by Standing Committee (greater than \$20 Million), however the awards must be reported to Council through the Government Management Committee.
Standing Committee	Award contracts greater than \$20 Million (exclusive of taxes), where the lowest bidder meeting specifications and requirements or highest scoring proponent is being recommended and; <ul style="list-style-type: none"> • Exceeds approved project funding • No material written objection has been received and; • Contract does not exceed 5 years in length.
Council	Award contracts where the lowest bidder meeting specifications and requirements or highest scoring proponent is not being recommended, or; <ul style="list-style-type: none"> - Exceeds approved project funding - Where a material written objection to the award is received, or; - Where contract exceeds 5 years in length.

Finance

Operating Budget

Over-expenditures on an operating budget

	Authority
City Council	Any expenditure that would result in a division exceeding the funding available in a program requires Council approval before a commitment is made to incur the expenditure, except for purchases made in case of emergency.

Reallocations; transfer between programs and services

	Authority
Chief Financial Officer and City Manager	Transfer of approved budgets of not more than \$500,000 in respect of each reallocation between services within a program which do not affect the net operating budget for the program. Any reallocation shall be reported to Council not later than the second

	regular Council meeting following the reallocation.
Chief Financial Officer, City Manager and City Council	Transfer of approved budgets of more than \$500,000 between programs or services or between programs and services affecting the net operating budget for a program.

Capital Budget

Over-expenditures on a capital budget

	Authority
Division Head	Additional expenditures where costs for a capital project increase to the extent that they exceed the original funding approval for the capital project by the lesser of 10 percent or \$500,000, if permanent excess funds are available in another capital project to fund the over expenditure.
City Council	If costs for a capital project exceed the original funding by more than 10 percent or \$500,000 or permanent excess funds are not available in another capital project.

Reallocations

	Authority
Division Head	Allocations between subprojects within a capital project and any subsequent reallocations of these funds among other subprojects or the addition of subprojects may be made by a division head, if the reallocation does not exceed the approval by Council for the capital project.
Chief Financial Officer	Reallocation of budget between capital projects in an amount of not more than \$250,000
Chief Financial Officer (Summer and Election Recesses)	Reallocation of budget between capital projects in an amount of not more than \$1,000,000 during the period between when Council breaks for the summer recess and the first agenda closing deadline for the appropriate standing committee following the break

Chief Financial Officer and City Council	Reallocation of budget between capital projects of more than \$250,000

Authority to write off outstanding debts

	Authority
Treasurer	Write off outstanding amounts owing to the City as uncollectible, if the amount is not more than \$50,000 and is not an amount raised as taxation or deemed to be taxes, except for items added to the tax bills for collection purposes only and not as a result of a tax or assessment appeal.
Treasurer	Write off outstanding tax arrears as uncollectible, following a failed tax sale, if the amount is not more than \$50,000.
Treasurer	Write off outstanding amounts owing to the City as uncollectible, if all of the following conditions are met: (1) The City Solicitor has been requested to recover the amount owing; (2) The amount owing is not more than \$500,000, exclusive of taxes; and (3) The City Solicitor concludes that the amount is uncollectible and the write-off is appropriate under the circumstances (e.g. Bankruptcy).
City Council	Write-offs of amounts owing to the City of more than \$50,000 except for tax reductions as a result of a successful appeal of assessment or taxes by a taxpayer.

<u>Donations</u>	Authority
Division Head	Accept and spend donated funds in an amount not to exceed \$50,000 during the regular term of Council (<i>City Council May 26 and 27, 2008</i>); Division heads shall report any donations expended to Council

	through the variance reporting process at the next available opportunity.
City Manager (Summer and Election Recesses)	Accept and spend donations over \$50,000 and up to \$500,000 during extended Council recesses (<i>City Council August 25, 26 and 27, 2010</i>)

Issuance of Debentures

City Council established a Debenture Committee and delegated authority to the Committee, for the purposes of the City to borrow money to obtain or provide long-term financing for any capital work through the issue of debentures, the issue of revenue bonds and the entering into of bank loan agreements, and to enact the necessary by-laws to give effect to such borrowing (*City Council August 5 and 6, 2009*). The Debenture Committee shall consist of four members composed of: The Mayor; the Budget Chair, the City Manager and the Deputy City Manager and Chief Financial Officer.

Real Estate

Some of the basic concepts of the proposed real estate delegations are:

- All financial commitments are subject to all amounts being available in an approved budget.
- The basic threshold premise is that Council should retain decision-making control over real estate transactions exceeding \$10 million dollars.
- Staff should have decision-making authority, for the types of transactions referred to in Appendix A, within a series of “stepped” financial ceilings as follows:

	Authority
Director of Real Estate Services	\$1 million
Chief Corporate Officer	\$3 million
Deputy City Manager and Chief Financial Officer	\$5 million
City Manager	\$10 million

- Any proposed exercise of delegation must meet the requirements of the set of General Conditions.

- Any transactions falling outside of the parameters of the General Conditions will continue to be reported through the appropriate Committee to Council. For example,

	Authority
The appropriate Committee to Council	Acquisitions and dispositions that exceed \$10 million
The appropriate Committee to Council	Proposed parkland acquisition where the amount may be \$20,000, but where budget approval had not been received.

- In addition to the series of delegated “approving” authorities, a series of delegated “signing” authorities provides that the positions having approving authority also have authority to execute documents on behalf of the City required to implement the approval. Also, the Manager of Acquisitions and Expropriations has delegated signing authority to sign Expropriation Applications and Notices for Council-approved expropriations.
- If, in any particular circumstance, a matter otherwise having been delegated to staff for approval is of such special interest that same should receive the consideration of Committee and ultimately be decided by Council, a determination may be made by the Chief Corporate Officer, in consultation with the applicable Deputy City Manager or the City Manager, to return such item to the Committee/Council process for consideration and decision-making by Council.
- The delegation does not affect sales, acquisitions and leases over which the Affordable Housing Committee has responsibility.
- Council may revoke any delegation to staff, at any time.

Status of City Sponsored Pre-OMERS Pension Plans, OMERS Pension Plan and TTC Pension Fund Society

Issue

The City of Toronto is responsible for the funding of 5 Pre-OMERS Pension Plans in addition to participation and employer contributions into the OMERS Pension Plan and the TTC Pension Fund Society. The recent financial crisis which caused a global recession has negatively impacted each of these Pension Plans. As a result of the financial position of the Pension Plans and the existing solvency rules in Ontario, the City of Toronto will face significant funding pressures over the next 5 years, in the form of special payments and/or increased employer contributions.

Background

Registered Pension Plans are governed by the *Pension Benefits Act* (PBA) which requires the preparation and filing (at least every three years) of an Actuarial Valuation of a pension plans assets and liabilities in order to determine the funded status of the plan on both a going-concern (assumes the plan will continue) and solvency (assumes the plan will wind up with annuities purchased) basis. Plans which are underfunded must eliminate the deficiency over a prescribed period of time (15 years for going-concern deficiencies and 5 years for solvency deficiencies).

Pre-OMERS Pension Plans

The City of Toronto sponsors 5 pre-OMERS Pension Plans which were established prior to July 1, 1968 when most municipal employees across Ontario became members of OMERS. Each of the City's five pre-OMERS pension plans was established by the Council of a former municipality through by-law and is managed by a separate pension committee who is responsible for the investment of plan assets, pension administration and financial reporting. The pension plans are the Municipality of Metropolitan Toronto Pension Plan (Metro), the Municipality of Metropolitan Toronto Police Benefit Fund (Police), the City of Toronto Fire Department Superannuation and Benefit Fund (Fire) the City of Toronto Civic Employees Pension and Benefit Fund (Civic) and the City of York Employee Pension Plan (York).

The 5 Pre-OMERS Pension Plans have approximately 20 active members and provide benefits to approximately 7917 retirees. These plans are closed with no new members enrolling and no contributions being made into the plans. The City of Toronto, as plan sponsor is responsible for any liabilities

on a solvency or going-concern basis, reflected in the Actuarial Valuation reports.

Ontario Municipal Employees Retirement System (OMERS)

The City of Toronto is required by provincial law to participate in the OMERS Pension Plan. Contributions to this plan are shared equally between City employees and the City. The OMERS Sponsors Corporation (SC) is responsible for plan design and setting contribution rates. The SC is made up of equal employee and employer representatives from across Ontario.

Toronto Transit Commission (TTC) Pension Fund Society

The TTC sponsors the Toronto Transit Commission Pension Fund Society. This pension plan was established as a separate legal entity from the TTC on January 3, 1940. Membership in the Society is a condition of employment with the TTC. The Society provides benefits to 12,400 active employees and 6,143 retired members as at December 31, 2009.

Contribution rates for the TTC Pension Fund Society are determined through the collective-bargaining process.

Implications

There is a funding pressure arising out of the current financial position of each of the Pension Plans and current solvency rules in Ontario.

Pre-OMERS Pension Plans

As a result of the financial position of the Municipality of Metropolitan Toronto Police Benefit Fund and the City of York Employee Pension Plan, which are both in a solvency deficiency position, as at December 31, 2009, the City of Toronto will be responsible to make special payments in the amount of \$11.1 Million for years 2011-2013 and \$5.4 Million for year 2014.

OMERS

The estimated 2010 employer contribution for the City of Toronto is \$120 Million. As a result of the financial position of the OMERS Pension Plan, the OMERS SC has established increased contribution rates which will result in an increase of \$24.3 Million for year 2011, \$22.6 Million for year 2012 and \$20.4 Million for year 2013.

Toronto Transit Commission (TTC) Pension Fund Society

The solvency position of the Plan was taken into consideration during the 2008 collective bargaining process and increased contribution rates were negotiated at that time. A letter of intent was signed to increase the contribution rates by 0.50% effective January 1, 2010, and again on January 1, 2011, for both the employee and employer to help reduce the Plan's solvency deficiency.

The estimated increased contribution rate as a result of this contribution increase is approximately \$8 million in 2011 and subsequent years, on the basis of current workforce and labour levels

Current Status and Next Steps

Pre-OMERS Pension Plans

The financial position of Pre-OMERS Pension Plans, as at December 31, 2009 is as follows:

Pre-OMERS Pension Plans as at December 31, 2009 (millions)		
Pension Plan	Going Concern Position	Solvency Position
Metropolitan Toronto Pension Plan	Assets: \$599.8 Liabilities: \$511.6 Surplus: \$88.2	Assets: \$592.6 Liabilities: \$547.0 Surplus: \$45.6
Metropolitan Toronto Police Benefit Fund	Assets: \$582.3 Liabilities: \$570.8 Surplus: \$11.5	Assets: \$575.4 Liabilities: \$614.7 (Deficit) \$(39.3)
Toronto Civic Employees' Pension & Benefit Fund	Assets: \$411.3 Liabilities: \$271.7 Surplus: \$139.6	Assets: \$376.9 Liabilities: \$308.2 Surplus: \$68.7
Toronto Fire Department Superannuation & Benefit Fund	Assets: \$295.1 Liabilities: \$248.1 Surplus: \$46.3	Assets: \$295.1 Liabilities: \$281.1 Surplus: \$14.0
City of York Employee Pension Plan	Assets: \$53.3 Liabilities: \$54.1 (Deficit) \$(0.8)	Assets: \$52.7 Liabilities: \$57.9 (Deficit): \$(5.2)

Staff are currently assessing the feasibility of transferring these Pension Plans to OMERS. This assessment will include a long-term financial evaluation of such a transfer to determine a cost/benefit analysis, a legislative review outlining legal consequences, a review of the existing by-

laws and a review of the rules and authorities required to consider such a transfer. Staff will be reporting to Council in this matter in 2011.

OMERS

An actuarial valuation report was filed with Financial Services Commission of Ontario (FSCO) as at December 31, 2008 which reflected that the Plan had an actuarial value of net assets in the amount of \$49.8 Billion and a funding deficiency of \$0.3 Billion. As at December 31, 2009, the OMERS deficit stood at \$1.5 Billion, with an additional \$4.9 Billion of net losses to be recognized over the next 4 years. As a result of this difficult financial position, the Sponsors Corporation has taken the following steps:

- Contribution rate increase of 1% effective, January 1, 2011, 1% effective January 1, 2012 and 0.9% effective January 1, 2013
- Temporary suspension of pre-retirement indexing effective January 1, 2013
- Temporary suspension of early retirement subsidy effective January 1, 2013

Toronto Transit Commission (TTC) Pension Fund Society

The financial position of the Toronto Transit Commission Pension Fund Society, as at January 1, 2010 based on an actuarial analysis, is as follows:

Toronto Transit Commission (TTC) Pension Fund Society (millions)		
Pension Plan	Going Concern Position	Solvency Position
TTC Pension Fund Society	Assets: \$3.374 Liabilities: \$3.251 Surplus: \$123	Assets: \$3.342 Liabilities: \$4.081 (Deficit): \$(739)

Since an Actuarial Valuation report was filed with FSCO for the TTC Pension Fund Society as at January 1, 2008, the next required filing will be as at January 1, 2011. Based on current conditions, it is anticipated that at that time, the Plan will have a significant solvency funding shortfall which will need to be dealt with by a further increase in contributions. If the Society files a valuation as at January 1, 2011 and that valuation shows similar results, a contribution increase of approximately \$66 million per annum will be required, shared equally between the members and the TTC.

Solvency Funding Issues

The City of Toronto, Toronto Transit Commission and OMERS have all requested the Province to amend the *Pension Benefits Act* to eliminate the requirement for solvency funding for municipal public sector pension plans. Funding a plan on a solvency basis assumes that the plan will get wound up and that assets would need to be used to meet existing liabilities, including the purchase of annuities for its pensioners and active members. Given that these public sector pension plans are going concerns and are unlikely to be dissolved or go bankrupt, there is no basis for requiring these plans to be funded on a solvency basis. Such a requirement adds an unnecessary and unreasonable financial burden to the City and its taxpayers.

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City of Toronto Benefit Plans

Issue

Benefit Plans are part of the total compensation package provided by the City of Toronto used to attract and retain staff. As a result, it is important that these plans are reviewed periodically to remain competitive while still being fiscally responsible and incorporating industry standards.

Background

Benefit plans are provided to employees and retirees based on collective agreements and City policies. The City of Toronto provides benefit plans to approximately 35,000 employees and retirees. The benefit plans have been designed to incorporate the following principles:

- Comprehensive and competitive plan designs
- Ensure fairness and equity amongst all employee groups
- Incorporate industry standards and best practices
- Control exposures to liabilities
- Enhancements/Containment are negotiated with unions/associations

The City of Toronto's extended health care, dental and long-term disability plans are provided through an Administrative Services Only (ASO) arrangement with a benefit carrier and the life insurance plans are provided through an insurance contract.

The City of Toronto provides the following benefit plans:

- Sick Leave Plan (through a sick pay plan, short-term disability plan or illness or injury plan)
- Life Insurance
- Accidental Death & Dismemberment
- Long Term Disability
- Extended Health Care
- Dental

The attached Appendix outlines the level of coverage provided to each employee group.

Implications

Increasing employee benefit costs is a concern for the City of Toronto. Industry standards in Canada reflects that on average health care costs increase at a rate of 15% annually and dental costs increase at a rate of 10% annually. The City of Toronto falls within this range. The increases in employee benefit costs have been driven by an aging demographic (employees and retirees), increased utilization of the plan, increased cost of drugs and services and de-regulation of government sponsored benefits which are transferred to private benefit plans.

However, staff have taken steps to manage increases by implementing cost containment measures to slow the growth in benefit costs. Given that changes in benefit plans must be negotiated through collective bargaining process, implementing such cost containment measures has proven to be a challenge. However, these efforts must continue in order to ensure the long term sustainability of the benefit plans.

Current Status and Next Steps

In 2009, the City of Toronto spent approximately \$183 Million providing this coverage to its employees, retirees and eligible dependants. In addition, the Public Sector Accounting Board (PSAB) handbook requires that a municipality report liabilities that relate to its post-employment benefits which includes; post-retirement benefits, sick leave benefits, income benefits, continuation of benefits to disabled employees and WSIB benefits. The liability associated with these benefits, as at December 31, 2009 is \$1.9 Billion (excluding the ABCs).

Staff have implemented many measures to control costs which include the following:

- Caps on all private duty nursing coverage
- Generic Drug Plan
- Elimination of Post-65 Benefit Coverage (grandparenting provisions in place)
- Elimination of Sick Pay Plan for Management/Non-Union employees (replaced with a short-term disability plan)
- Elimination of Sick Pay Plan for CUPE Local 79 and TCEU Local 416 employees hired after July 30, 2009 and one-time option for employees to switch to this plan which resulted in a 40% take-up of the plan
- Switch from 6 month to 9 month dental recall for all unionized employees

It is imperative that staff continue to implement measures to contain the growth in benefit plan costs through employee education initiatives and negotiations with each of the unions/associations.

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**City of Toronto Benefit Plans
Appendix A: City of Toronto Active Benefit Plans**

Benefit	CUPE Local 79 Full-Time	CUPE Local 416
LIFE INSURANCE Coverage Optional Life Dependent Life	2x annual salary Yes Yes	2x annual salary Yes Yes
AD&D	2 x annual salary	2 x annual salary
LINE OF DUTY DEATH	Nil	Nil
SICK LEAVE PLAN	Illness or Injury Plan (if hired after July 30, 2009) 130 days (75%/100%) or 1.5 sick pay credit days accumulation/month for employees hired prior to July 30, 2009 who did not elect the IIP*	Illness or Injury Plan (if hired after July 30, 2009) 130 days (75%/100%) or 1.5 sick pay credit days accumulation/month for employees hired prior to July 30, 2009 who did not elect the IIP*
LTD Coverage Tax Status	75% of earnings, to age 70 Taxable/no COLA	75% of earnings, to age 70 Taxable/no COLA
HEALTH Reimbursement Deductible Drug Coverage Hospital Vision Benefit Hearing Aids Out of Country Paramedical Private Duty Nurse Psychologist Orthotics & Orthopaedic Shoes Laboratory Tests Survivor Benefits	100% Nil Generic Prescription Semi-Private \$475/24 months, may borrow following period's entitlement for laser vision surgery, max \$950 \$1,600 per person every 3 years Yes-Emergency Only Yes - Services of a licensed chiropractor, osteopath, podiatrist, chiropodist, speech therapist or masseur to a maximum of \$400 per person per speciality per year. Alternatively, eligible persons will have the option of combining cost toward one particular benefit to a maximum of \$800 per person per benefit year. Up to \$25,000 every 3 years \$300 per person per benefit year 1 pair per person/per year (administrative guidelines apply) PSA & Ovarian Cancer (CA125) to a maximum of \$40/person/year If eligible to retire at time of death, coverage for spouse until employee would have turned age 65	100% Nil Generic Prescription Semi-Private \$450/24 months, may borrow following period's entitlement for laser vision surgery, max \$900 \$1,600 per person every 3 years Yes – Emergency only Yes - Services of a licensed chiropractor, speech therapist, osteopath, podiatrist, chiropodist or masseur to a maximum of \$400 per person per benefit year. Alternatively, eligible persons will have the option of combining cost toward one particular benefit to a maximum of \$800 per person per benefit year. Up to \$25,000 every 3 years \$300 per person per benefit year 1 pair per person/per year (administrative guidelines apply) PSA & Ovarian Cancer (CA125) to a maximum of \$30/person/year If eligible to retire at time of death, coverage for spouse until employee would have turned age 65

Benefit	CUPE Local 79 Full-Time	CUPE Local 416
LODD Survivor Benefits	N/A. Same as above	N/A. Same as above.
DENTAL		
Basic Coverage	100% , Unlimited, adult recall every 9 months	100%, Unlimited, adult recall every 9 months
Major Coverage	60% major restorative, 70% Dentures, 4,000/yr	60%; 70% for dentures (combined max 4,000/yr)
Ortho Coverage	50%, \$5,000/life	50%, \$4,000/life

*Employees given one-time option to either remain in the sick leave accumulation plan or transfer to the new Injury or Illness Plan effective January 1, 2010.

Benefit	Management/Non-Union, Elected Officials	Local 3888
LIFE INSURANCE		
Coverage	2x annual salary	2x annual salary
Optional Life	Yes	Yes
Dependent Life	Yes	Yes
AD&D	2x annual salary	2x annual salary (non-occupational death)
LINE OF DUTY DEATH	Nil	4x annual salary
SICK LEAVE PLAN	Short Term Disability Plan 130 days (75%/100%)	1.5 sick pay credit days accumulation/month
LTD		
Coverage	75% of earnings, to age 65	75% of earnings, to age 65
Tax Status	Taxable/no COLA	Taxable/no COLA
HEALTH		
Reimbursement	100%	100%
Deductible	Nil	Nil
Drug Coverage	Generic Prescription	Generic Prescription
Hospital	Semi-Private	Semi-Private
Vision Benefit	\$475/24 months	\$450/24 month, may borrow following period's entitlement for laser vision surgery, max \$900
Hearing Aids	\$1,600 per person every 3 years	\$1,800 per person every 3 years
Out of Country	Yes – Emergency Only	Yes – Emergency Only
Paramedical	Yes - Services of a licensed psychologist, chiropractor, osteopath, podiatrist, speech therapist or masseur to a maximum of \$500 per person per speciality per year. Alternatively, eligible persons will have the option of combining cost toward one particular benefit to a maximum of \$800 per person per benefit year.	Yes - Services of a licensed chiropractor, osteopath, podiatrist, chiropodist or masseur to a maximum of \$500 per person per speciality per year, to an overall maximum of \$2,000. Audiologist/Speech Language Pathologist, \$1500 per person, per benefit year
Private Duty Nurse	Up to \$25,000 every 3 years	Up to \$60,000 every 3 years
Psychologist	\$500 per person per benefit year	\$1000 per person per benefit year (including MSW).
Orthotics & Orthopaedic Shoes	1 pair per person/per year (administrative guidelines apply)	1 pair per person/per year (administrative guidelines apply)

Laboratory Tests	PSA & Ovarian Cancer (CA125) to a maximum of \$40/person/year	Lab tests & x-rays not covered by OHIP - excluding other forms of imaging
Survivor Benefits	If eligible to retire at time of death, coverage for spouse until employee would have turned age 65	10 years of coverage (regardless of age of employee)
LODD Survivor Benefits	N/A. Same as above	Coverage provided until the employee would have turned age 65.
DENTAL		
Basic Coverage	100%, Unlimited, adult recall every 6 months	100%, Unlimited, adult recall every 9 months
Major Coverage	80%, \$5,000/yr	80%, \$2,000/yr.
Ortho Coverage	50%, \$5,000/life	50%, \$4,000/life

Enhancing Toronto's Business Climate

Introduction

Toronto, while a competitive place to do business internationally, had been losing employment to the surrounding regions, with negative implications to fiscal and economic sustainability. In response to the significant loss of jobs in the city of Toronto between 1990 and 2004, in June 2004, Council approved a public consultation process with regard to City and Provincial property tax policies for 2005 and beyond. The consultation resulted in a comprehensive action plan consisting of incentives and initiatives intended to enhance the City's competitiveness over the long term. This has resulted in a positive effect with businesses returning to Toronto and new investment attraction.

Toronto's Business Competiveness Initiatives

Key elements of the City's initiatives include (Appendix for more detail):

- Approval of a framework for the 'Agenda for Prosperity' and the establishment of the Mayor's Economic Competitiveness Advisory Committee which includes industry experts from various fields.
- A phased plan for the reduction in business tax ratios from the then existing ratio of 3.8 to 4.3 times the residential rate, to 3.0 times by 2013 and 2.5 by 2017.
- An accelerated reduction in small business tax ratios to 2.5 times by 2013.
- Limiting business tax increases.
- Eliminating property tax inequities caused by the capping/clawback system by accelerating properties to their fair full-CVA level of taxation.
- From the Province, a reduction in Toronto's business education tax rates phased in by 2014.
- A financial incentives program to attract key employment sectors (Tax Increment Equivalent Grants – "TIEG's").
- A 30% discount on the water rate to assist industrial competitiveness
- Development Charges (DC) exemption for industries and minimal DC charge only on ground floor of commercial, which are the lowest DC's in the GTA.
- Gold Star Service through the City's Buildings and Planning Divisions to streamline the development approvals process.
- Enterprise Toronto to support small business start-up and development.

Improvement in Toronto's Business Environment 2005 - 2010

Although there are many factors influencing business competitiveness, reducing business taxes and providing development incentives has made a positive influence. Since 2005, the following positive impacts to Toronto's economy have occurred:

Jobs

The total net number of jobs in the City of Toronto has increased by approximately 30,000, which includes approximately 20,000 jobs lost due to the 2008 recession. This is in comparison to the 100,000 jobs lost between 1994 and 2004.

Construction

Five new major office towers have been completed or are under construction representing over \$1 billion in investment and 4 million square feet of new commercial space:

- RBC Centre, Wellington St.
- Bay-Adelaide Centre, Adelaide St.
- Telus Tower, York St.
- Corus Entertainment, Queens Quay E.
- 18 York St.

Five new international hotels are under construction, representing close to \$2 billion in investment:

- Trump International Hotel, Bay St.
- Four Seasons Hotel, Bay St.
- Shangri-La Hotel, University Ave.
- Ritz Carlton Hotel, Wellington St.
- Film Festival Tower, King St.

Strategic Employment

The Tax Increment Equivalent Grant (TIEG) initiative promotes development in key strategic industry sectors: Biomedical, Computer Systems Design and Services, Creative Industries, Food and Beverage Wholesaling, Financial and Business Services, Information Services and Data Processing, Manufacturing, Office, Scientific Research and Development, and Software Development.

A Brownfield Remediation Tax Assistance Grant (BRTA) that provides for a cancellation of property taxes for a period of up to 3-years after

development of contaminated lands. This grant may be in addition to the TIEG.

A number of new developments have been attracted to Toronto as a result of the Tax Increment Equivalent Grant program. Projects completed or underway include:

- Woodbine Live! – a \$1 billion entertainment complex that will create a minimum of 2,500 full-time jobs with local hiring from the nearby priority neighbourhoods
- MaRS Phase II – a major pharma/medical research facility converging institution and commercial interests
- Pinewood Studios (formerly Filmport) – a \$100 million major sound and film studio to the industry to establish Toronto as 'Hollywood North'
- Corus – a \$100 million media complex on the Waterfront is also included under this program.

A number of other projects have also expressed intent under this program. By the end of 2010/early 2011, the City expects to have signed a further 11 TIEG agreements with total further proposed investments of \$700 million.

Reduction in Business Taxes and Tax Ratios

As a result of its Enhancing Toronto's Business Climate property tax initiatives, Toronto's businesses are paying \$243 million less in taxes than they would otherwise have paid since 2006.

The chart below shows the municipal tax reductions and/or savings since 2006:

Year	2006	2007	2008	2009	2010	
	Council Enhancing Toronto's Business Climate policy for one-third of increase to non-residential					
			Council Policy Accelerated Small Business Tax Reduction			
Residential Tax Increase	3.00%	3.80%	3.39%	4.00%	2.90%	
Business Tax Increase	1.00%	1.27%	1.13%	1.33%	0.97%	Cumulative
Business Tax Relief (\$ M in forgone tax increase revenue)	\$ 36.7	\$ 47.0	\$ 42.5	\$ 51.1	\$ 37.6	\$ 215.0
Additional Small Business Relief			\$ 8.3	\$ 4.9	\$ 14.5	\$ 27.7
						\$ 242.7

The chart below shows the progress in reducing tax ratios, compared with the residential property tax rate, since the start of the "Enhancing Toronto's Business Climate" policy in 2006. Small business tax class was established in January 2008 in order to accelerate the tax reduction for neighborhood retail and this class is expected to reach the targeted 2.5 ratio in 2013 (verses the original target date of 2015). The rest of the business class and multi-residential class will reach the 2.5 ratio in 2017 (verses the original target date of 2020).

	Historic	Actual		Projected			
	2006	2009	2010 (vs 3.38 target)	2011	2012	2013 (vs. 2015)	2017 (vs. 2020)
Commercial	3.68	3.46	3.27	3.21	3.10	3.00	2.50
Industrial	4.09	3.56	3.37				
Multi-Residential	3.63	3.46	3.32				
Small Business	n/a	3.28	3.10	2.90	2.70	2.50	

Business Education Tax Reductions

As part of 2007 Provincial budget, the Province announced it would reduce business education tax rates to the then Province-wide average of 1.6% by 2014. Fully implemented, this would represent a 20% reduction in education taxes for Toronto's businesses (estimated at time of announcement as \$230 million by 2014).

Reaching Current Value Assessment

Following Provincial legislative changes commencing in 2009, providing the municipalities the tools to increase progress towards CVA, as of 2010 - 37% of commercial properties (12,833), 40% of industrial (1,637) and 37% multi-residential properties (1,570) are now at their full CVA-level of taxation. It is projected that most properties will reach their full CVA-level of taxation by 2020.

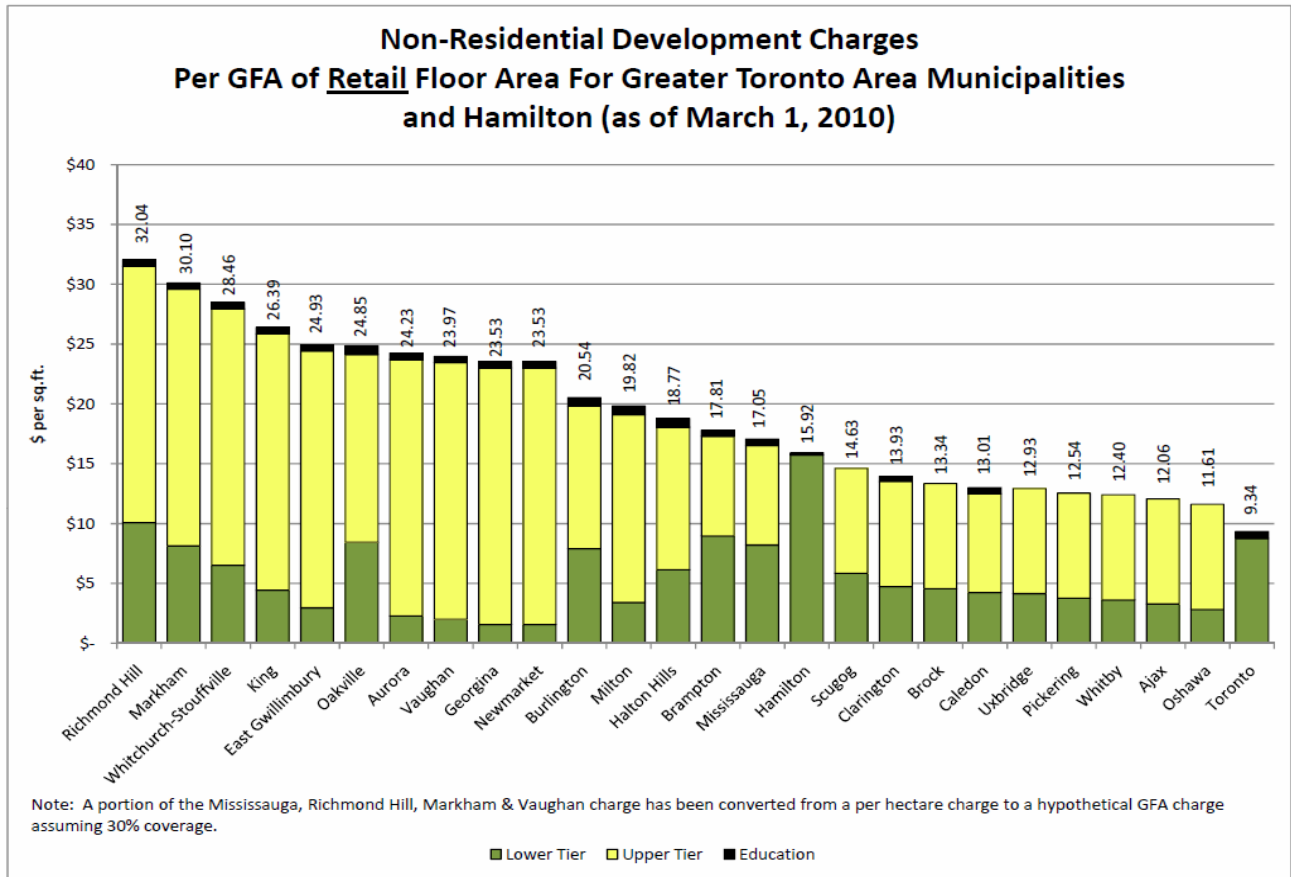
Reduction in Industrial Process Water Rates

Effective January, 2008 City Council adopted an industrial process user water rate structure to provide a competitive rate for Toronto's industries. This rate structure provides a 30% discount for industries who comply with water conservation initiatives and the sewer use by-law.

A large industry using 1 million cubic meters of water will realize a savings of \$590,000 in 2010 under this plan.

Lowest Development Charges in the GTA

Toronto has the lowest Development Charges in the GTA. Toronto's Development Charges (DC) By-Law exempts industrial development from DC's, and imposes a DC for only the ground floor of commercial development.



Gold Star Development Service

Toronto's Gold Star program helps businesses reduce the time and costs incurred when working on development projects. An enhanced case management approach is now in place for strategic industrial and office developments. Each project is assigned to a City of Toronto District Review Team led by a Planning Director and an Economic Development Officer who will work proactively with the project manager and other City departments

to identify approval requirements, help resolve issues, and ensure that the client receives prompt attention.

Next Steps

Business Tax Competitiveness

Within Operating Budget, continue to propose moving business and multi-residential tax rates to 2.5-times the residential tax rate by limiting tax increases on the non-residential classes and by shifting tax burden to the residential class

The value to businesses and multi-residential in moving to the reduced tax ratio of 2.5-times the residential tax rate is currently estimated at \$235 million as follows:

- \$22 million reduction in taxes for small businesses by 2013;
- \$117 million reduction in taxes for rest of commercial by 2017;
- \$20 million reduction in taxes for industrial by 2017; and
- \$76 million reduction in taxes for multi-residential by 2017.

Water Rate Competitiveness

As part of the 2011 water rate setting process, will be recommending a competitiveness review that broadens consideration to North American competitiveness and considers fixed-charge components within the water rate structure.

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Enhancing Toronto's Business Climate

Appendix: Action Points – Enhancing Toronto's Business Climate

In October 2005, Council adopted "Enhancing Toronto's Business Climate" policy, comprising of a comprehensive action plan with the following main objectives:

1. Correcting the imbalance in tax rates between the business and residential classes – setting a tax ratio reduction plan to achieve a business tax rate target of 2.5-times the residential rate phased-in over 15 years (by 2020), compared to the pre-existing business ratios of more than four-times the residential rate. Since then, Council has accelerated this plan so that this target will be reached by 2017.
2. Limiting business tax rate increases to one-third of the tax rate increase imposed on the residential class.
3. Protection for neighborhood retail – a graduated tax rate for small business which will see an accelerated tax rate reduction to 2.5-times the residential rate over 10 years (2015). Since then, Council has accelerated this plan so that this target will be reached by 2013.
4. Accelerating the progress to CVA taxation by phasing out the Capping and Clawback system on business over 15 years. Also, adopting a policy that excludes properties from capping/clawback once that property reaches its full CVA level of taxation.
5. Requesting the Province to reduce its high education tax rates imposed on Toronto's businesses to an average of the GTA; the Province has since initiated a plan to reduce education tax rates of municipalities to an average province-wide rate phased-in by 2014.
6. Expanded use of Community Improvement Plans (CIP's) in Toronto to provide financial incentives by way of Tax Increment Equivalent Grants to incentivize development by key employment sectors. These grants are offered for new buildings or retrofits or expansion of existing buildings, and provide grants to a maximum of 60% of the new taxes created by such eligible development over a 10 year period. Brownfields may be further eligible for an additional two years of tax cancellation to offset remediation costs.

Sole Source/Non-Competitive Procurement

Issue

The City's Procurement Processes Policy, approved by Council in July 2004 and revised in September 2007 allows for Non-Competitive Procurement (sole source and single source) under certain conditions.

Non-Competitive Procurement ensures that:

- Goods & Services are provided immediately during conditions of emergency, when obtaining competitive bids is not possible.
- Allows the purchase of goods & services directly from a single supplier when they are only available from one supplier.
- Security or Confidential matters are not made public through a public solicitation process.

Procedures, training and monitoring of sole source activity is provided by the Purchasing and Materials Management Division (PMMD) to ensure that Non-Competitive Procurement is minimized.

Background

Non-Competitive Procurement

Non-Competitive Procurement includes both single source and sole source procurement.

Single source procurement is a non-competitive purchase where there is only one supplier of a product or service and as a result a competitive quotation process is simply not possible. Examples include utility purchases, TTC tokens and suppliers mandated by the Provincial government. Many of the single source situations are now covered by Schedule A of the Financial Control By-law (Chapter 71 of the Toronto Municipal Code) which lists goods and services that do not have to go through the competitive bid process.

Sole source procurement is a non-competitive purchase where there are other suppliers of the product or service available; however, for reasons such as emergency, proprietary, matching existing equipment, health and safety concerns, time constraints, etc., the procurement is sourced to a specific vendor. Examples include software purchases; maintenance

agreements for software; equipment and parts, which if not followed, voids the manufacturers' warranty.

Conditions for Non-Competitive Procurement

The City's Procurement Process Policy, Section 3.0 allows for a non-competitive procurement process if one or more of the following conditions apply:

1. The goods and services are only available from one source or one supplier by reason of:
 - i. a statutory or market based monopoly;
 - ii. scarcity of supply in the market;
 - iii. existence of exclusive rights (patent, copyright or licence);
 - iv. need for compatibility with goods and services previously acquired and there are no reasonable alternatives, substitutes or accommodations; and
 - v. need to avoid violating warranties and guarantees where service is required.
2. An attempt to purchase the required goods and services has been made in good faith using a competitive method and has failed to identify a successful supplier.
3. The goods and services are required as a result of an emergency, which would not reasonably permit the use of the other methods permitted.
4. The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience which cannot be provided by any other supplier.
5. The nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidential matters.
6. Any other sole or single source purchase permitted under the provisions of the Purchasing or Financial Control Chapters of the City's Municipal Code.

As single source procurement's is unavoidable, training, procedures, reporting and monitoring is concentrated on sole source procurement, where

more than one supplier is available, but for reasons mentioned above, the procurement has to be sourced to a specific vendor.

Sole Source Process Checks and Balances

In accordance with the Procurement Process Policy approved by Council in July 2004, and purchasing procedures outlined below, Purchasing and Materials Management Division (PMMD) and City staff ensure that:

- a detailed explanation is provided for the sole source purchase;
- sole sourcing is an appropriate purchasing method to obtain the needed goods and/or services;
- proper approvals are obtained before processing a sole source purchase; and
- where possible, the price is in accordance with current market conditions and prices offered to other customers.

Sole Source Purchases over \$500,000

In accordance with the Financial Control By-law, sole source purchases greater than \$500,000 in value are awarded by Council. City division staff must prepare a staff report jointly with PMMD recommending the award of the sole source purchase.

The staff report must provide a clear and detailed explanation as to why the purchase must be made through a sole source process. Once the report is finalized, the staff report is then signed by the Director, Purchasing & Materials Management and the Division Head and forwarded to Committee and Council for approval. PMMD will not create a formal purchasing document (i.e. Purchase Order or Blanket Contract) until Council approval is received along with a signed and authorized Requisition form and confirmation that a legal agreement has been executed, where required.

Sole Source Purchases between \$50,000 and \$500,000

Sole source purchases between \$50,000 and \$500,000 in value are processed by PMMD in accordance with the Sole Source/Non-Competitive Procurement Procedure available at:

http://insideto.toronto.ca/purchasing/pdf/sole_source_procedure.pdf

City staff must complete a Sole Source Request Form each time they wish to purchase using this process by using the form listed under Purchasing Procedures for Sole Source and Non-Competitive Procurement available at:

<http://insideto.toronto.ca/purchasing/procedures.htm#purchasing>

The form must provide a clear and detailed explanation as to why the purchase must be made through this procurement process. Each form is sent to PMMD for review before forwarding to the Division Head for final approval. Once reviewed and concurred by PMMD, the Sole Source Request Form is then signed by the Section Head and the Division Head. PMMD will not create a formal purchase document (i.e. Purchase Order or Blanket Contract) until the signed original Sole Source Form is received together with a signed and authorized Requisition form and confirmation that a legal agreement has been executed, where required. This strict adherence to the procedures ensures that sole source purchases have PMMD's and the Division Head's approval before processing the purchase.

Sole Source Purchases under \$50,000

Sole source purchases less than \$50,000 in value are processed by City Division staff as Divisional Purchase Orders (DPO's). However, if the Division staff feel the sole source request is complex, or have other concerns, they would send the request to PMMD for processing regardless of the dollar value. City staff are required to process these sole source requests in accordance with the Sole Source or Non-Competitive Procurement Procedure available at:

http://insideto.toronto.ca/purchasing/pdf/sole_source_procedure.pdf and

Divisional Purchase Orders Procedure available at:

http://insideto.toronto.ca/purchasing/pdf/procedure_dpo_29july10.pdf.

City division staff must complete a Sole Source Request Form each time they wish to purchase using the sole source DPO process. The form must provide a clear and detailed explanation as to why the purchase must be made through this procurement process. The Sole Source Request Form must be signed off and approved by the Division Head prior to processing the sole source purchase. City division staff do not create a formal DPO until the Sole Source Request Form is approved and confirmation that a legal agreement has been executed, where required.

PMMD conducts random Quality Assurance Reviews for the sole source DPO process in accordance with the DPO Quality Assurance Review procedure available at:

http://insideto.toronto.ca/purchasing/pdf/dpo_qualassurrev_nov09.pdf

to ensure that Divisions are following proper procedures and provides recommendations for improvement where necessary.

Training and Monitoring

PMMD monitors inappropriate sole source activity (i.e. sole source requests that are processed after goods were received and/or work was already completed prior to receiving PMMD and Division Head approval) by maintaining a log to track these inappropriate sole source requests. Communication is sent to senior management of the Division describing the inappropriate activity and outlining the sole source procedure and the proper actions that must be taken in the future.

PMMD also provides training courses in the Corporate Human Resources Calendar as well as customized training sessions for Divisional staff, in order to ensure that all City staff are trained to follow proper purchasing policies and procedures. Training is also provided for the \$50,000 DPO process and is a mandatory requirement prior to City staff receiving access to procure goods/services by DPO's.

Divisions are provided with statistical reports by PMMD quarterly on their Sole Source purchasing activity for their review to assist them in keeping sole source purchases to a minimum. Utilizing all the checks and balances outlined above, PMMD ensures that there is adequate justification for each Sole Source purchase and the City is obtaining the best possible price for goods/services purchased on a Sole Source basis.

Reporting Sole Source Purchasing Activity

PMMD reports annually to the Government Management Committee on the City's Sole Source Purchasing Activity. The report compares activity from the year reported to the previous year, summarizes the activity by reason for sole sourcing, provides summaries of sole source activity approved by Council, approved by Division Head and processed by PMMD and activity processed directly by Divisions by DPO.

Implications

It is in the City's best interest to obtain competitive bids wherever possible to ensure a fair, open accessible procurement process and best value for dollars spent.

In cases where competitive bids are not possible, City staff must follow the City's Policy and Procedures for Non-Competitive Procurement. Failure to do so may result in damage to the City's reputation, question the fairness and openness of the City's purchasing process, not get best value for taxpayer

dollar spent and put the City at risk for scrutiny from the public and the media.

Options

In 2009, 6.0% of the dollar value of City purchases were sole sourced. This is comparable with other municipalities who responded to a PMMD survey as they ranged from 5% to 35%.

The dollar value of sole source purchases decreased by 19% in 2009 when compared to 2008. PMMD works closely with City divisions on an ongoing basis to ensure that the sole source activity is kept to a minimum.

Contact

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Agenda for Prosperity: A Prospectus for a Great City

Issue

The Agenda for Prosperity, the City's long term economic competitiveness strategy, was prepared over an 18 month period June 2006 to December 2007, and adopted by City Council in January 2008.

The priority actions should be reviewed and refreshed for this new term of Council.

Background

The Economic Competitiveness Advisory Committee was convened in June 2006 to provide advice on ways to improve the quality of life in Toronto, put creativity at the heart of the economic development strategy and create greater opportunity for all. Strategies adopted aim to enhance economic competitiveness and growth, create high quality jobs, retain and attract investment, and foster a culture of partnership to sustain a vibrant economy.

The Advisory Committee was composed of the Mayor, 25 senior executive business, labour and academic leaders from across the city and four members of Council - the Chair of the Economic Development Committee, Chair of the Budget Advisory Committee and two Councillors-at-large. The Mayor was the Committee Chair.

The Advisory Committee's report, the Agenda for Prosperity, was adopted by City Council in January 2008. The Agenda is based on four pillars:

- Pillar 1: Proactive Toronto – Business Climate
- Pillar 2: Global Toronto – Internationalization
- Pillar 3: Creative Toronto – Productivity and Growth
- Pillar 4: One Toronto – Economic Opportunity and Inclusion

In developing this competitiveness strategy, the Advisory Committee purposely used the term 'agenda' to make it clear that while its four pillars provide a long term foundation for success, specific priorities would need to be updated on a regular basis as economic conditions changed. An update report has been presented to City Council through the Economic Development Committee annually since the Agenda was adopted.

Implications

The Agenda's priority actions should be reviewed and refreshed for the new term of Council to ensure they reflect current economic circumstances and Council's interests.

Current Status and Next Steps

Economic Development & Culture staff will prepare an update report. The Mayor may also wish to consult with an Advisory Committee.

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Green Economic Development Strategy: Growing the Green Economy

Issue

Globally, it is generally acknowledged that a significant proportion of future job and wealth creation will be in the “Green” sector of the economy. This sector encompasses a wide variety of technologies and products including green buildings, electric vehicles, energy efficiency, smart grid, and renewable energy.

Ontario’s Green Energy and Green Economy Act, 2009¹ provides an overall framework for the development of the green energy sector in Ontario with the projected creation of over 50,000 jobs in this sector over the next few years.

There is considerable competition between regions/municipalities to attract companies (and the associated job and wealth creation) in the green sector. Toronto’s Green Economic Development Strategy outlines the City’s actions in developing this sector in Toronto.

Background

City Council has approved a number of staff reports on the Green Economic Development Strategy including:

- On July 16, 2007, City Council approved the recommendations contained in the Green Economic Sector Development Strategy Plan.²
- City Council approves a subsequent report on the Green Economic Sector Development Work Plan on November 19, 2007.³
- The Economic Development Committee considered an update on June 2, 2009.⁴

There are also elements of the Green Economic Development Strategy in the following City initiatives:

- Climate Change, Clean Air and Sustainable Energy Action Plan⁵
June 13, 2007

¹ http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=2145

² <http://www.toronto.ca/legdocs/mmis/2007/ed/reports/2007-07-05-ed06-cr.pdf>

³ <http://www.toronto.ca/legdocs/mmis/2007/ed/reports/2007-11-07-ed09-cr.pdf>

⁴ <http://www.toronto.ca/legdocs/mmis/2009/ed/bgrd/backgroundfile-21849.pdf>

⁵ <http://www.toronto.ca/legdocs/mmis/2007/pe/bgrd/backgroundfile-4982.pdf>

- Toronto's Sustainable Energy Strategy – the Power to Live Green⁶ – November 2, 2009
- The Agenda for Prosperity report⁷ (January 2008) identifies opportunities and actions to develop the green economy sector in Toronto.

Economic Development & Culture hired a Green Technologies Sector Development Officer in May 2010 to assist in supporting the development of Toronto companies in this sector.

Implications

Toronto has a core of small, yet internationally respected, green technology companies. City support for key actions and opportunities are required for this sector to grow and become a significant provider of jobs to Torontonians.

Current Status and Next Steps

Toronto's Green Economic Strategy has 8 core areas of action:

1. **Green Sector Partnerships** – focus on developing networks of innovation between Toronto's green companies and academia.
2. **Support for Green Industries** – assistance in overcoming barriers (local regulations) to greater use of the sector's products, and assisting efforts at the provincial and national levels (through the Ontario Building Code or CSA Standards)
3. **Green Training and Skills Development** –New technologies in the green sectors (e.g. electric vehicles and solar energy) face a severe shortage of trained workers in Ontario. A trained workforce will attract new companies.
4. **Jobs in the Green Sector** – Providing linkages between green job seekers and green companies to respond to growth rates of 20-30% annually.
5. **Green Procurement** – Local procurement of green technologies has proven successful in supporting the early growth of local firms
6. **Green Technology Demonstrations** – Demonstration and public education of green technologies in the community helps to develop a local market.
7. **Green Sector Benchmarking** – Provide the baseline to track job and wealth creation by the sector in Toronto

⁶ http://www.toronto.ca/livegreen/downloads/2009-10_report.pdf

⁷ <http://www.toronto.ca/prosperity/>

8. **The Greening of Jobs** – A growing number of companies are interested in “greening” their operations. This provides “value added” opportunities for Toronto based firms and a local market for green technologies.

As part of the Live Green Toronto initiative the General Manager of Economic Development & Culture chairs the Green Jobs Working Groups of City stakeholders. This working group is focused on the creation of new green jobs and the greening of jobs in Toronto.

An update on the Green Economic Strategy will go to the Economic Development Committee in the next term of Council.

Contact

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Culture Plan Funding Target

Issue

Culture's 2003 Plan established a 10-year target of \$25 per capita for investment in culture by the City of Toronto. The current level of investment for 2010 is \$18 per capita. Reaching the Culture Plan investment target will require an increase of \$17.5 million by 2013.

Background

The Culture Plan was adopted by Council in 2003 and set the cultural direction for the City for the following ten years. The Plan includes 63 recommendations. The City has made progress on about 85%.

Three important areas remain to be addressed from the Culture Plan:

1. increasing investment in arts and culture organizations;
2. increasing investment in the upgrading of cultural facilities; and
3. identifying new sources of revenue to fund the city's cultural investment.

Implications

Meeting the Culture Plan investment target will require an increase in spending of \$17.5 million by 2013. The cultural community has been advocating the use of revenue from the Billboard Tax to achieve the Culture Plan target.

Current Status and Next Steps

The General Manager of Economic Development and Culture reported to Council on the status of funding for the Culture Plan in August 2010. This report highlighted the \$17.5 million gap in funding the Culture Plan. Arts and culture funding through the Community Partnership and Investment Program will be recommended as the top priority.

The capital needs of non-City cultural facilities will be reviewed and reported to Council.

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The Development of a City-Wide Partnership Strategy

Issue

A corporate-wide Partnership Strategy is required to overcome the City's fragmented approach to cultivating and managing relationships and to promote more effective collaboration in the delivery of programs and services.

Background

Partnerships play an important role in enhancing the lives of Torontonians by supplementing core city programs and services. In 2009, the City attracted \$36 million worth of equipment, upgrades and services from hundreds of partners. These ranged from major events such as Nuit Blanche to ward-level supports, from rink renovations to high-tech teaching labs in priority neighbourhoods.

The Toronto Office of Partnerships was created in 2007 for the purpose of:

- being a single window into the city for external parties that are looking to partner with divisions;
- leveraging third-party funding and generating additional revenues for priority programs and initiatives;
- supporting city divisions and agencies with their partnership activities;
- creating an inventory of partnership and joint funding opportunities and initiatives;
- coordinating the city's outreach efforts to eliminate donor fatigue and confusion; and
- developing policies to facilitate and manage the generation of new partnerships to bring cohesion and standardization to partnership practices.

Implications

To build on and support the City's success as a desirable and beneficial partner, a Partnership Strategy is required to focus partnering activity.

Current Status and Next Steps

The new strategy will:

- articulate a vision of the city's partnership goals and objectives

- establish principles to promote stewardship, accountability and good governance
- identify areas within the city that are conducive to partnerships
- establish criteria regarding the eligibility of potential partners
- integrate existing policies governing donations, unsolicited proposals, private interest partnerships and others
- identify and correct policy and support gaps that hinder partnership development
- establish a framework for monitoring and evaluating partnership performance
- help stakeholders communicate clearly and effectively.

External partners will:

- better understand the partnering process and their roles and responsibilities
- be more aware of where to go for information and to share best practices.

City Divisions will:

- understand their roles and responsibilities
- have improved access to the knowledge and skills that encourage effectively managed partnerships
- provide accurate information on partnership activities through agreed upon reporting and data collection mechanisms
- be more aware of partnership activities across the organization
- facilitate the sharing of information and best practices between partners, both internal and external
- respond effectively to the demands presented by new partnership opportunities and
- increase internal capacity to successfully attract and manage partnerships.

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Holiday Shopping

Issue

Many, but not all, retail operators in the City of Toronto are now prohibited from opening on public holidays, including New Year's Day, Family Day, Good Friday, Easter Sunday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day and Christmas Day.

The current policy framework (Chapter 510 of the Toronto Municipal Code and Ontario *Retail Business Holidays Act*) includes a wide range of exemptions resulting in an inconsistent, confusing and unfair situation for many local businesses. Those operating within the city, occasionally within the same industry, may be subject to different holiday shopping rules. Businesses in Toronto are also subject to different rules than those in surrounding municipalities, placing them at a disadvantage in competing regionally.

The Toronto Association of Business Improvement Areas (TABIA), representing more than 27,000 small businesses, and Oxford Properties and Cadillac Fairview Corporation, representing major shopping centres throughout the city, have requested City Council to permit all retail stores to open on public holidays. Unions representing some of the employees and some religious groups have objected.

Background

City Council considered staff reports recommending retail operators be permitted to open on most or all public holidays on two occasions during the last term of Council, in March 2008¹ and in April 2010². On both occasions Council voted to maintain the status quo.

Implications

The current regulatory framework creates a number of inequities that place many retail businesses within the City of Toronto at a competitive disadvantage. Chapter 510 of the Toronto Municipal Code requiring retail stores to close on public holidays applies only to the retail sector. Businesses in other sectors, including manufacturing, construction, professional services, etc., are permitted to remain open on public holidays at their discretion.

¹ For staff report go to www.toronto.ca/legdocs/mmis/2008/ed/bgrd/backgroundfile-10674.pdf

² For staff report go to www.toronto.ca/legdocs/mmis/2010/ed/bgrd/backgroundfile-29167.pdf

There are numerous exemptions within the retail sector based on the type, size and location of retail operations. Some areas within the city previously received 'tourism area exemptions' under the (Ontario) *Retail Business Holidays Act*; however, Chapter 510 does not provide a process for additional exemptions to be granted.

Retail businesses located in some surrounding municipalities are also exempted from the provisions of the (Ontario) *Retail Business Holidays Act*, as a result of local decisions. Stores in several other provinces and most states are permitted to open on public holidays.

Chapter 510 provides for fines up to \$50,000 or the gross sales for those businesses which illegally opened on a public holiday. No charges have been laid since Chapter 510 came into effect.

Current Status and Next Steps

In May 2010, City Council referred this item back to the General Manager, Economic Development and Culture for further public consultation on the issue of holiday shopping with all stakeholders, including Business Improvement Areas, community groups, the Workers Action Centre, Legal Clinics and others who represent employees and members of Council.

A report with the public consultation results will go to the Economic Development Committee in the next term of Council.

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Business Improvement Areas (BIAs)

Issue

There are 71 individual Business Improvement Areas (BIAs) across the City of Toronto. City Councillors are members of the BIA Boards of Management within their wards. To ensure the proper functioning of BIAs, early in the new term of Council, decisions will be required on the following:

- election of new Boards of Management for the Council term;
- approval of BIA operating budgets so that the BIA levy can be included in the property tax bills; and
- approval of the Business Services capital budget.

Background

Boards of Management

BIAs are established by the City and managed by volunteer boards of management elected by its members. The Board is nominated at an Annual General Meeting and serves a four-year term concurrent with the term of Council. The Board works on behalf of its BIA and meets regularly to develop budgets, set priorities, implement capital improvements, plan festivals, and promote the area as a place to shop, dine, and invest.

City Council has delegated approval of citizen member appointments to the BIA boards of management to Community Councils. A report recommending approval of citizen members to the new boards of management will be submitted to the first Community Council meetings in January 2011. Council member appointments are determined through the Striking Committee process and adopted by Council. If a BIA spans two Community Council boundaries, City Council must approve the appointment of citizen members to the BIA board of management and the report is transmitted to Council through the Economic Development Committee.

BIA Annual Operating Budget

The annual operating budget for the BIAs are voted on at Annual General Meetings of each BIA in the fall. Once the budget is approved by the BIA members and ratified by City Council, funds are raised through a levy on all commercial and industrial properties within the BIA's boundary. Calculation of this levy is based on the proportionate value of each property's commercial and/or industrial assessment. Once the levy is collected by the

City, the funds are returned to the BIA to manage. The City does not contribute funds to BIA operating budgets.

The approval of the BIAs' operating budgets is time-sensitive, and requires early Council approval so that the City can send out the tax bills and remit BIAs their first instalment. A report recommending approval of the BIAs' operating budget will be submitted to the first meeting of the Economic Development Committee.

BIA Capital Budget

The BIAs collaborate with the City in a capital cost-share program where both the City and BIAs provide 50% of the capital costs for City approved projects on public lands. The capital budget for BIAs is contained in the Business Services component of the Economic Development and Culture (EDC) capital budget.

Staff from the Business Services Unit work with BIAs to advance various strategic capital infrastructure opportunities. The capital budget has three programs: (1) the BIA Capital Cost-Share Program, which matches BIA funding for streetscape beautification projects; (2) the Commercial Façade Improvement Program (CFIP), which provides grants to property owners to undertake physical improvements to the public face of their buildings; and (3) the Mural Program, which provides grants to community groups to undertake murals in commercial districts. These capital programs support the City's Agenda for Prosperity by working in partnership with local businesses to improve the economic vitality, safety, and overall quality of place of the City's commercial areas.

The 2011-2015 EDC Capital Plan recommends that the Business Services component of the capital budget be maintained at \$2.5 million (net) annually.

Implications

BIA Boards of Management and Operating Budget

Appointments to the BIA new Boards of Management and approval of the BIA operating budgets will need to be confirmed as soon as possible in 2011 in order for the BIAs to fulfill their mandates. Failure to do so will result in a gap in service delivery by the BIA.

BIA Capital Requirements

The EDC capital budget continues to experience pressure primarily in the Capital Cost-share program due to the growing complexity of projects undertaken, rising costs due to inflation, and the increasing number of BIAs that are undertaking streetscape improvements. The City is now in a position where it has to defer projects. Over the past few years, Council approved increases above targets in 2008 (+\$50,000 net), 2009 (+\$360,000 net), and 2010 (+\$433,500 net) in order to avoid deferring high priority projects. In 2011, 20 BIA projects (valued at \$2.716 million (gross)) will go unfunded in order to meet capital budget targets.

Staff attempt to deal with some of this capital budget pressure by deferring projects that are not sufficiently advanced, managing project cash flows to ensure funds are only budgeted when needed, and capping the amount of funding provided to individual BIAs at \$600,000 (gross).

In addition, staff prioritize projects according to Council approved capital cost-share guidelines. Highest priority is given to projects that are coordinated in conjunction with other public works, are a continuing phase of a larger project, or are relatively small projects with minor impact on the overall budget.

Current Status and Next Steps

A report recommending approval of citizen members to the BIAs new Boards of Management will be submitted to the first Community Council meetings in 2011 for final decision. A report recommending the approval of the BIAs annual operating budgets will be submitted to the first Economic Development Committee.

The EDC Capital Budget has been submitted and will be considered as part of the City's 2011 Capital Budget process.

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Building Activity

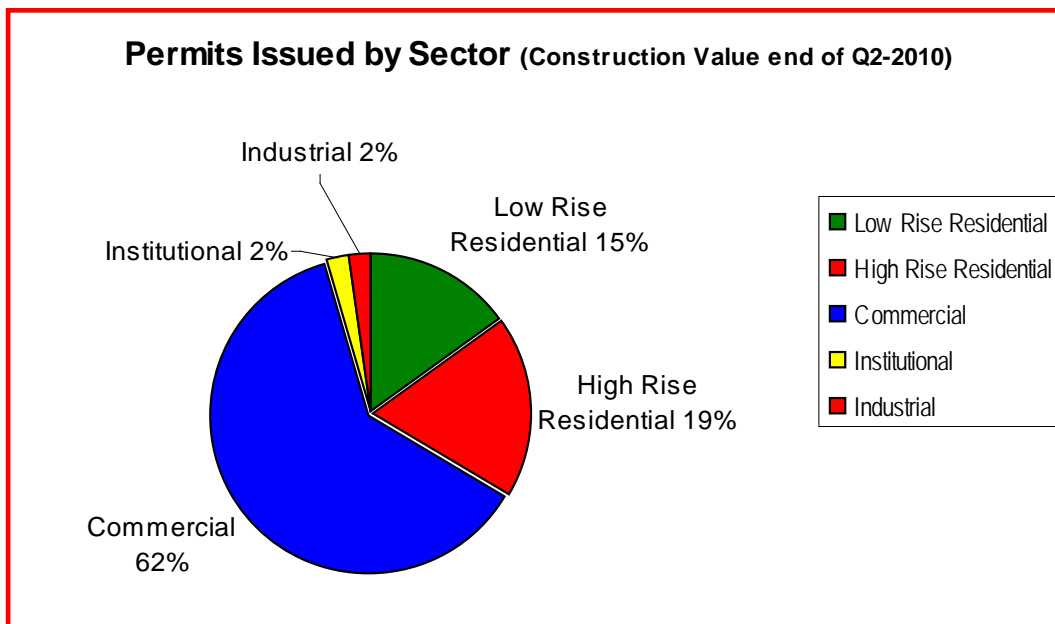
Issue

To provide an overview of building activity, including forecasts of larger projects expected to be received for building permit issuance into 2011.

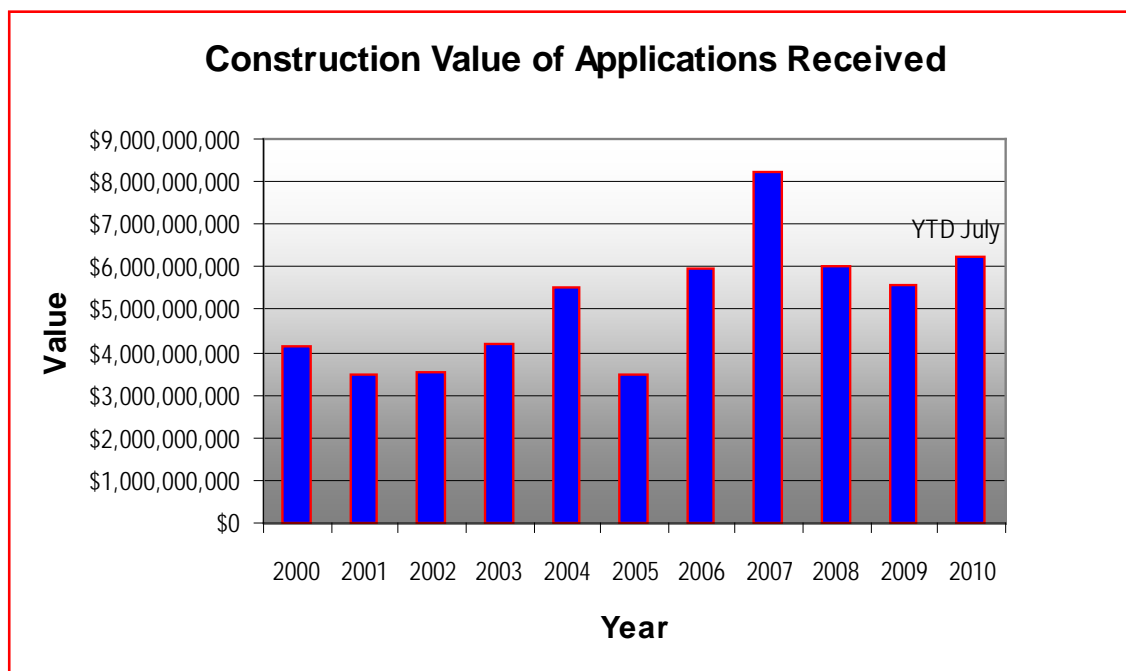
Background

A high level of permit activity has occurred in recent years with peak activity being reached in 2010. This level of activity reflects positive economic growth in Canada and the GTA, low interest rates, increasing demand for high rise residential product, continued demand for office space, and the ongoing effects of stimulus projects.

The chart below indicates a comparison of permits issued by construction sector (to the end of the second quarter 2010). The ratio of permit activity by sector shifts somewhat in accordance to market demands.



The graph below provides a comparison of the construction value of applications received from 2000 to the end of July 2010. It is expected that by the end of 2010, permit activity will reach record levels.



The following list of major projects is expected to be received for building permit issuance by the end of 2010 and into 2011:

- Maple Leaf Gardens, 438 Church Street
- One Bloor, 1 Bloor Street East
- Pier 27, 25 Queens Quay East
- Regent Park, 620 Dundas Street East
- River City(Pan Am Games) Athletes Village/Media Centre, 635 King St. East
- Sony Centre, 1 Front Street East
- Aura Condo, 388 Yonge Street
- Sick Kids Research and Medical Centre, 674 Bay Street
- George Brown College Waterfront Campus, 175 Queen Quay East
- Union Station Revitalization, 61 Front Street
- Twin Tower 300 Unit Condo, 25 Lower Simcoe Street
- Twin Tower Podium 684 Unit Condo, 300 Front Street
- Double Building with Connecting Podium Condo, 251 King Street West
- Centre for Addiction & Mental Health Triple Tower Hospital, 1001 Queen Street West
- Affordable Housing Complex, 1000 King Street
- Affordable Housing Complex, 45 Lisgar Street
- Bridgepoint Health Hospital (Don Jail), 14 St Mathews Street
- Ina Grafton Gage United Church Home, 2 O’Conner Drive
- Day Care Centre and Place of Worship, 4346 Lawrence Avenue
- Spadina Subway - Hwy 407, 185 Northwest GT – 1133 Sheppard Ave West

Implications

Toronto Building operates on a cost recovery model. Since construction activity fluctuates with market conditions and the economy, the workload to administer and enforce the Building Code across the City is organized and managed to accommodate these fluctuations on a district by district basis.

Under the Ontario *Building Code Act*, the total amount of fees authorized by Council must not exceed the anticipated reasonable costs of the City to administer and enforce the Act in the City of Toronto. The Act requires the City to report annually on how new revenues collected have been used to cover the direct and indirect costs of administering and enforcing the Act and the Building Code.

Current Status and Next Steps

To the end of the second quarter of 2010, building permit applications received reached over 23,000. Much of the work to process these applications will occur during 2011 with the work of enforcement of the permits issued occurring in 2011 and beyond.

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Exhibition Place: Growth Strategies - Trade and Consumer Shows, Meeting and Convention Events and Related Activities

Issue

Trade and consumer show, conferences, convention and meetings are a major activity at Exhibition Place and are a substantial economic generator for the City of Toronto. Toronto has a very competitive marketplace for these activities and maintaining and upgrading the facilities is a requirement to maintaining our competitive edge.

Background

The Federal, Provincial, and Municipal governments contributed \$60M each for the construction of Direct Energy Centre Complex – a consumer/trade show venue completed in 1997. Originally named The National Trade Centre when it opened, in 1997, the Board of Governors and the City of Toronto approved a 10-year naming sponsorship agreement with Direct Energy Services Inc. and the facility was relaunched as Direct Energy Centre in June 2006. Direct Energy Centre has 1,072,000 sq. ft. of contiguous show space and is the 6th largest trade and consumer venue in North America. It competes with major USA venues such as McCormick Centre in Chicago and competitive venues in Toronto - the Metro Toronto Convention Centre, the International Centre and the Congress Centre.

In order to address exhibitor needs and new industry trends and the evolving technological and energy advancements, it is necessary to reinvest capital funds in Direct Energy Centre. The ten-year Capital Budget for Exhibition Place attempts to address some of the upgrades required, however, this budget is limited generally to state-of-good-repair improvements versus growth related renovations that keep our facility competitive.

A 1999 study indicated that a major deficiency of Direct Energy Centre was its limited meeting room space. Direct Energy Centre has 25,000 sq ft. of meeting room space while industry standards suggest that it should have at least an additional 30,000 sq. ft. in order to attract major corporate conferences and industrial association tradeshow.

In 2004, the Board of Governors' Strategic Plan identified the need to develop a new conference and convention meeting space and following a feasibility study, the Board of Governors and City Council approved a \$47.0M renovation plan to upgrade the existing 80-year old Automotive Building.

Reopened as Allstream Centre – A Convention and Conference Facility in October 2009, the former Automotive Building, retained its heritage exterior but was renovated completely inside to provide 29,807 sq. ft. of meeting rooms and a 44,260 sq. ft. ballroom, the largest in Toronto. In addition, Allstream Centre is the first conference centre in Canada to target LEED Silver Certification.

The last major facility required to complete our trade business is a convention hotel and through a public competitive process the Board of Governors and City Council approved a long-term lease agreement with a private hotel developer, HK Hotels, to construct a 325-suite hotel on site. The hotel will be an investment by the private sector of an estimated \$100.0M and is scheduled to be open in 2014.

Implications

- Meetings, conventions, trade and consumer show venues are economic generators.
- A 1998 Economic Impact Study indicated that Direct Energy Centre generated one quarter of a billion dollars of new direct spending within Toronto; created 2,817 full-time equivalent jobs and yielded nearly \$30.0M in new federal, provincial and local tax revenues.
- Since its opening in 1997, Direct Energy Centre has generated an average annual surplus of \$1.85M.
- The financial surplus generated by Direct Energy Centre assists in offsetting the cost of maintaining the 192 acres of the Exhibition Place park and 18 historic structures located at Exhibition Place.
- The feasibility study for Allstream Centre estimated after 25 years a positive cash flow of \$30.1M before financing and a payback on investment of 20 years.
- Allstream Centre is the leading venue for Green Meetings and the Social/Gala market.

Current Status

- Some of the larger shows presently held in Direct Energy Centre could expand and major USA association events continue to grow and cannot be accommodated within Toronto.
- Allstream Centre met the estimated projections provided in the feasibility study and will meet or exceed these projections in year two.
- The City approved the establishment of a Capital Reserve Fund for Exhibition Place with contributions from any surplus generated by Exhibition Place and this Reserve is necessary to allow for funding to ensure these facilities stay competitive.

- The hotel development involves the construction of 40,000 sq. ft. of additional net meeting room space.

Next Steps

- Complete the City Planning process for the Hotel project and move to the construction phase.
- Undertake planning process for a one hall expansion of Direct Energy Centre and a feasibility study for this project.
- Undertake an economic impact study for the trade and consumer show, convention and conference activities at Exhibition Place.
- Establish a capital replacement strategy to meet ongoing maintenance needs of a first class facility.
- Continue to implement an aggressive marketing strategy to attract new trade & consumer show business.

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Exhibition Place: Canadian National Exhibition (CNE) as Largest Fair in Canada

Issue

Planning the continued success of the CNE as the largest fair in Canada and the fifth largest in North America.

Background

The Canadian National Exhibition Association (CNEA) is a separate organization from the Board of Governors of Exhibition Place. The Board of Governors of Exhibition Place is a City agency accountable to the City. The CNEA is an independent organization that operates the annual fair through an agreement with Exhibition Place. However, the City's budget includes the revenues and expenses of the CNE – profits come to the City and losses are funded by the City.

The CNEA is a provincially incorporated Agricultural Society and is currently governed and operated under the jurisdiction of the CNEA Act of 1983. It offers an extensive array of entertainment and events, midway rides and games and a three-day Air Show on Labour Day Weekend. Over the course of its 132 year history, the CNE has adapted with changing times to maintain its status as a well loved “end of summer” tradition for the citizens of Toronto and tourists.

The CNEA also has a Foundation which was incorporated on February 12, 1975 under the Corporations Act (Ontario) and registered as a public foundation under the Income Tax Act (Canada), for the purposes of promoting interest in the study of agriculture, horticulture, music, art, education and sports.

The CNEA Board of Directors adopted a Business Plan in 1998 which set a road map to financial success. Since 1998, the CNEA has improved its attendance and financial performance, reversing a downward trend experienced in the 1990's. During this 12 year period since the amalgamation of Toronto, the CNE has contributed in excess of \$25M in site fees to Exhibition Place, in addition to which it has returned a net accumulated operating surplus of \$4.8M.

A 2009 Economic Impact Analysis indicated that the CNE generated \$58.6M of new direct spending within Toronto; created 633 full time equivalent jobs; and yielded nearly \$17.4M in new federal, provincial and local tax revenues.

Implications

- The annual CNE is a tradition in the City and there is a sense of community ownership of the event by the residents of Toronto.
- The CNE provides over 1 million entry passes for children through the Toronto School Boards.
- The CNE has a significant impact on employment in the GTA through both direct hiring and associated hiring by CNE exhibitors.
- The CNE plays a major role in attracting tourists to the City of Toronto.

Current Status

- The incorporation of the CNEA as an Agricultural Society is vital to its ongoing success and, therefore, its ability to contribute to the financial stability of Exhibition Place.
- Annual gross revenues for the CNE are \$24.6M and from 2004 to 2009, the CNE attained a net profit totalling \$5.9M - which was returned to the City.
- The CNE contributes \$3.8M to the overhead expenses of Exhibition Place.
- The CNE has annual attendance in the range of 1.3 million.
- Both exit surveys and in-field interviews and observational research continue to indicate very positive experience by attendees.
- CNE has an active environmental program. In 2009, it diverted 77.3% of its waste and in 2010 the CNE became the first fair in North America, and the first large-scale event on the continent to receive EcoLogo certification, one of North America's largest and most respected environmental standard and certification marks.
- However well intentioned, many of the site developments at Exhibition Place, as well as the inability to reinvest annual surpluses in the presentation of the fair, have restricted the CNE's performance and growth. Future construction of the hotel and the potential expansion of the Direct Energy Centre may have similar effect.

Next Steps

- Continue to improve CNE presentation including programming, site beautification and operational elements including site navigation.
- Increase attendance and enhance customer experience.

- Enhance the stature of the CNE as a showcase event by continuing to increase customer satisfaction, continue to appeal to the diversity of Toronto communities and the needs of the community as a whole.
- Continue to develop the midway layout in keeping with the evolution of the site as a whole.
- Continue to seek out and involve community groups in annual CNE, both online and offline.
- Update the 2007 CNEA Strategic Plan to address the future development of the fair and the site.
- Develop a master layout plan for the annual CNE including a permanent midway layout and program/festival areas.
- Encourage Exhibition Place and the City of Toronto to recognize the significance and success of the CNE and to provide for some reinvestment of surplus income earned by the event.

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Waterfront Revitalization

Issue

The Toronto Waterfront Revitalization Project is a tri-government partnership established to revitalize Toronto's waterfront. The governments of Canada, Ontario and Toronto established the Toronto Waterfront Revitalization Corporation, now known as Waterfront Toronto, to plan and expedite the revitalization. The governments have worked to streamline their various legislative and approval processes to assist Waterfront Toronto.

Background

Waterfront Toronto works with city, provincial and federal staff to implement the long-term waterfront plan and funding strategy. It is governed by a Board of Directors whose focus is to ensure intergovernmental cooperation, advance City priorities, resolve issues and assist Waterfront Toronto in expediting the revitalization.

The waterfront revitalization budget includes \$1.5 Billion in startup funding for planning, design, infrastructure construction and residential/commercial development, focused in three precinct areas - East Bayfront, Queens Quay/Central Waterfront and the West Don Lands. The revitalization also includes strategic projects in the Mimico and Port Union areas within the Waterfront Toronto mandate.

Large scale, long-term planning initiatives completed in the last term of Council include the Western Waterfront Plan and the Lower Don Lands Plan. Environmental Assessments have been completed for East Bayfront Transit and the Queens Quay Revitalization, and detailed design is underway for Queens Quay. Required planning approvals are well advanced for the West Don Lands, where the 2015 Pan Am Athletes' Village will be constructed.

Construction is well advanced throughout the waterfront, including:

- First Waterfront Place;
- Sherbourne Park and George Brown College in East Bayfront;
- Flood protection landform and Don River Park in the West Don Lands;
- Wave decks in the Central Waterfront;
- Mimico and Port Union waterfront parks; and
- Roads and infrastructure.

The Fort York Pedestrian/Cycle Bridge will be completed for the War of 1812 Bicentennial Celebrations in 2012. Private sector investment is underway in

East Bayfront through the Parkside and Bayside developments and in West Don Lands through the River City development. An affordable housing development is under construction in West Don Lands.

Implications

Waterfront revitalization projects require public consultation and intergovernmental cooperation to ensure their success.

Waterfront Toronto and the City are jointly completing a comprehensive Environmental Assessment (EA) and Integrated Urban Design Study to determine the future of the Gardiner Expressway and Lake Shore Boulevard, from Jarvis Street to east of the Don Valley Parkway, based on Council approvals in 2009. The EA and Urban Design Study are expected to take 3 years to complete. Urban Design options submitted by proponents will be assessed through a jury review process that includes significant public and agency consultation, beginning in 2011.

Infrastructure Ontario (IO) is the lead provincial agency for the Pan Am venues and the Athletes' Village, and has a very aggressive schedule for delivery of the Games in 2015. City approvals for design and construction are on a fast track to meet the Village construction start of 2011. Waterfront Toronto is responsible for designing and building the infrastructure for the Village on behalf of IO. A productive relationship with IO and effective delivery of City responsibilities is crucial to the time lines, high quality urban design objectives and ultimate success of this project.

In 2010, City Council approved in principle a preferred conceptual design for the Port Lands Sports Centre consisting of four stacked ice pads. The funding for the project will be considered in the 2011 Capital Budget process including refined cost estimates and other funding options such as Tax Increment Financing.

Current Status and Next Steps

Current priorities for waterfront revitalization include:

- completing the tri-government process for the Waterfront Long Term Funding Plan for 2011-2020 and a City/Waterfront Memorandum of Understanding confirming Waterfront Toronto deliverables for 2011 on a project by project basis;
- moving to precinct-wide government contribution agreements and related risk management strategies for waterfront revitalization funding;

- tracking and assessing the impact of waterfront renewal on the City's operating budget;
- expediting regulatory and construction activities for the waterfront precincts, for infrastructure and park design and construction, and to facilitate private sector development in East Bayfront and West Don Lands;
- advancing the Gardiner EA and Urban Design Study process to determine the future of the Gardiner Expressway East, and advancing the detailed design and initial construction for Queens Quay;
- managing the implementation of the Pan Am Games Athletes' Village and required infrastructure within the context of continuing West Don Lands projects; and
- completing construction of the Fort York Pedestrian/Cycle Bridge in time for the 1812 Bicentennial Celebrations in 2012.

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2015 Pan / Parapan American Games: Key Agreements, Structures & Commitments

Issue

Toronto is the official host city of the 2015 Pan / Parapan American Games.

The Toronto 2015 Pan / Parapan American Games Organizing Committee (TO2015), a not-for-profit organization, is responsible for planning, organizing, promoting, financing, and staging the Games, with support from:

- City of Toronto
- Government of Ontario
- Government of Canada
- Canadian Olympic & Canadian Paralympic Committees, and
- 16 other municipalities in the Greater Golden Horseshoe

The Pan Am Games offer a unique opportunity to enhance Toronto's international reputation; source new markets, customers, and suppliers for Toronto businesses; develop new community, sport and (affordable) housing infrastructure; showcase Toronto's diversity, talent, assets, and cultural prowess; engage local residents in an international celebration of sport and culture; and forge strong partnerships with our neighbours in the region and the governments of Canada and Ontario.

To take full advantage of the economic, social, and cultural benefits which the Games can provide – and to appropriately manage associated financial, security, operational and reputational risks – City officials are working in close cooperation with TO2015, the federal and provincial governments, and other Games partners.

Important Pan Am legal agreements, organizational structures, Council approved funding commitments, and (potential) future opportunities are summarized in this note.

Background

The Pan / Parapan American Games are a multi-sport event held every four years between competitors from all countries of the Americas. With 42 participating nations and 48 sports, the Pan Am Games are the world's second-largest international multi-sport event after the summer Olympics.

The Games are expected to draw 10,000 athletes and officials and up to 250,000 visitors. Training and competition venues for the 2015 Games will be located in 17 municipalities across the Greater Golden Horseshoe.

The Pan Am Games Multi-Party Agreement (MPA) defines the rights and responsibilities of TO2015, the Canadian Olympic and Paralympic Committees, and the City, Provincial and Federal governments with respect to the governance, financing and delivery of the Games. Among other matters, the MPA provides for:

- The incorporation, by Ontario, of a not-for-profit corporation with responsibility for planning, organizing, promoting, financing and staging the Games. This entity is variously referred to as TO2015, the Host Corporation, or the Pan Am Games Organizing Committee.
- A 12-person Board of Directors to govern TO2015, with Toronto entitled to select one representative to serve on the Board and its Executive Committee. (Note: no member of a municipal Council, the Provincial legislature, or the House of Commons / Senate may serve on the Board.)
- Toronto to assume no responsibility for any deficit of TO2015 (i.e. Provincial deficit guarantee).

In February 2009, City Council authorized expenditures of \$49.5M (all figures in 2008 dollars, subject to adjustments for construction cost inflation) for Toronto's financial contribution to various Pan Am capital facilities. This investment will leverage approximately \$230M in funding contributions from the federal and provincial governments and other Games partners.

Along with modest upgrades to the Etobicoke Olympium, roadways, Centennial and Birchmount parks, and Nathan Phillips Square, Council's commitment includes \$37.5M for the Pan Am Aquatic Centre / Canadian Sport Institution Ontario facility (PAAC/CSIO) to be developed at the University of Toronto Scarborough campus.

Toronto's existing \$49.5M financial contribution represents a small portion of TO2015's total projected \$1.4B operating and capital budget, excluding the estimated \$1 billion in private and public sector investment required for the Athletes' Village.

Implications

The development of the Athletes' Village in the West Don Lands will be among the most significant legacies of the Games for Toronto. For details see Note 3.10, *Athletes' Village -- 2015 Pan / Parapan American Games*.

The Pan Am Aquatic Centre / Canadian Sport Institute Ontario (PAAC/CSIO) facility will provide significant benefits to the residents of Scarborough and the City at large. Its two 10-lane 50m pools, dive tank, field house, running track and various fitness and training areas are being designed to accommodate the sport, recreation and training needs of residents, university students and high performance athletes alike. The facility will be co-owned and operated by the City of Toronto and University of Toronto.

To preserve and enhance the infrastructure legacy of the 2015 Games, a staff report in early 2011 will address City contributions for:

- Site remediation for the PAAC/CSIO facility
- BMX facility in Centennial Park
- Upgrades to an existing track at York University

Current Status and Next Steps

An inter-divisional Pan Am Project Team coordinated by the City Manager's Office and supported by various working groups:

- provides TO2015 with the support it requires to effectively plan, organize and stage the Games,
- maximizes pre and post-Games legacy opportunities and their fit with City priorities,
- coordinates and reports on Pan Am related activities undertaken by City agencies, boards, commissions and divisions, and
- ensures that Pan Am related legal agreements are honoured by all parties.

Detailed planning for Pan Am projects with long lead times (e.g. Athletes' Village and the PAAC/CSIO) is well underway.

In 2011, TO2015 will confirm the location of all competition and training venues and prepare a comprehensive business plan for the Games including issues of interest to Toronto such as Games transportation/transit, security, Village operations, volunteers, etc.

Once the broad operational plans for the Games are in place, City staff will be in a better position to identify and assess the benefits, costs and implications of Pan Am-related activities or services which the City is committed to providing under the terms of the MPA or which it may choose to provide in order to advance City priorities by leveraging the profile, good will and investment associated with the Games. For example, opportunities may be identified and business plans developed for Toronto's participation in:

- Pan Am Games economic development & trade diversification activities
- Pan Am Games cultural festival
- Pan Am Games youth and community engagement activities
- Pan Am Games pedestrian wayfinding system
- Pan Am Games communication and promotion activities

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Athletes' Village: 2015 Pan / Parapan American Games

Issue

The Athletes' Village for the 2015 Pan/Parapan American Games will be built in the West Don Lands in an area bounded by Bayview Avenue, Cherry Street, Eastern Avenue, and the rail corridor.

The Village will accommodate 8,500 athletes and team officials in approximately 2100 housing units. After the Games, the Village will be transformed into a dynamic, modern mixed-use neighbourhood that offers a range of housing options (including 400 affordable rental housing units) for people at all stages of life and income levels.

Infrastructure Ontario (IO) is the lead provincial agency responsible for the development of the Athletes' Village. IO is using an Alternative Financing and Procurement (AFP) model, wherein risks associated with project design, construction and financing are transferred to the private sector.

IO is working in close cooperation with Waterfront Toronto (WT), the Ontario Realty Corporation (ORC), the Toronto 2015 Pan Am Games Organizing Committee (Toronto 2015), and the City of Toronto to develop the Village.

The design for the Athletes' Village will be based on WT's vision of a green, modern and vibrant new community as outlined in the West Don Lands Precinct Plan.

An interdivisional City staff team led by the Waterfront Secretariat has been formed to work with IO, WT, ORC, Toronto 2015 and other partners to support the timely development of the Village in a manner which ensures a positive and enduring legacy of design excellence, affordable housing, mixed uses, and sustainable transit-friendly development. In addition, the Affordable Housing Office is working with the Ministry of Affairs and Housing to determine how the future non-profit affordable housing operators will be selected.

Background

As a brownfield site located in the floodplain of the Don River, extensive remediation and flood proofing work has been undertaken to prepare the West Don Lands for development. When fully completed in 2011, a massive flood protection landform will protect a 99 hectare (245 acre) area, including Toronto's financial district, from flooding.

In addition to residential units and sports and recreation facilities, the Athletes' Village will include an accreditation centre to process athletes, team officials and visitors; retail space, banks and restaurants; a medical centre; entertainment areas; and other amenities to welcome and accommodate athletes from across the Americas.

The design and construction of the Cherry Street transit line and various public realm features are being integrated into the development of the Village.

After the Pan Am Games, the Village's 2100 housing units will be converted into homes – including 400 affordable rental units – for a community of 4000 – 6000 residents. Affordable ownership housing will also be an important component of the community's housing mix.

The construction of the Athletes' Village in time for the 2015 Games will significantly expedite the development of the West Don Lands, which was originally scheduled to be built out over the next 10 – 12 years.

Implications

The Athletes' Village will be one of the most important legacies of the Games. It will become the centrepiece of a new, sustainable, mixed-income, mixed-use neighbourhood. Situated in the heart of the city, the Village will support Toronto's efforts to reduce urban sprawl, create new affordable housing, provide easier access to public transit, and reduce the environmental impact of development.

City officials recently received an updated development schedule for the Athletes' Village from IO. Based on this information City officials will assess the staffing resources required to ensure the timely construction of the Village consistent with the key revitalization principles for the West Don Lands and Toronto's waterfront: public accessibility, design excellence, sustainable development, economic development and fiscal sustainability.

In addition, in early 2011, IO will seek in early 2011 confirmation of eligibility for the City's existing affordable housing financial incentives.

Current Status and Next Steps

City, IO and WT staff are working to complete in early 2011 an accelerated review of engineering and public realm drawings for the roads, sidewalks and municipal services for the Athletes' Village.

A planning and design consultant has been engaged by IO to support a Request for Qualifications (RFQ) and Request for Proposals (RFP) process, which will lead to the selection of a developer / consortium responsible for final design and construction of the Athletes' Village.

The City and WT will work with IO to ensure that high quality urban design consistent with the West Don Lands Precinct Plan is fully integrated into the Village's planning and design process.

Construction of the Athlete's Village is anticipated to begin in 2012.

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Union Station Revitalization

Issue

The City of Toronto has begun the revitalization of Union Station at an overall cost of \$640 million with a completion date of 2015. The Station is subject to a Heritage Easement Agreement administered by Parks Canada which requires ongoing approval for all work to be undertaken by the City. The approval process involves detailed consultation. The overall project is also subject to various financial and real estate commitments which have strict deadlines associated with the completion of the work.

Background

In August 2000, the City of Toronto concluded negotiations with the Toronto Terminals Railway and purchased Union Station in a transaction which simultaneously sold portions of the property to GO Transit.

In December 2009, Council approved proceeding with the construction for the revitalization of the Station, selling components of the building to Metrolinx/GO Transit, and endorsing Osmington/Redcliff Realty Management as the head lessee for the project and Vanbots as the Construction Manager of the project. This approval also noted the involvement of the Federal and Provincial governments in support of the project.

Construction of the project began in December 2009. It is being dovetailed with construction projects underway on the Trainshed roof and platforms by Metrolinx/GO Transit and by the TTC construction of their Second Platform project. Transportation Services will be constructing a new North South PATH connection under York Street from Front Street to Wellington Street with connections to various buildings and the existing PATH network.

Throughout the construction period full service at the Station will be maintained. All of the transportation providers are working closely together to ensure adequate pedestrian routes and access to all the facilities. Notices regarding any closures or rerouting are being given in advance of proposed changes and the construction scheduling is also attempting to take into account major events within the City through this period. At present, the project is on time and on budget.

Implications

During the 5-year program, the construction work will involve partial road and sidewalk closures and rerouting of various internal routes within the Station to ensure public safety. Metrolinx/GO Transit will also be closing various rail tracks and stairs to the platforms to facilitate their work. Throughout this period every effort is being made to minimize inconvenience to the public.

Current Status and Next Steps

The successful Revitalization of Union Station is critical to the economic health of the business community, tourism and entertainment facilities within the downtown core. The new facility will accommodate more than twice the current passenger load, will improve public transit within the City and minimize the need for new road infrastructure. The building will become a significantly "greener" facility with the introduction of Deep Lake Water Cooling, District Heating, storm water retention, reuse of grey water and photovoltaic energy generation.

The Station will also become a major retail centre, generating revenue to assist in its long term maintenance and heritage preservation. The sale/lease agreements with Metrolinx/GO Transit will transfer ownership of the West Wing for their head office and the new passenger concourses. It is critical this work proceed on time to comply with the agreements and the opening of the Pan Am Games.

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Neighbourhood Revitalization

Issue

Neighbourhood revitalization strategies integrate the physical, social, economic and environmental needs and priorities of an area to create liveable, healthy communities. These strategies promote local social and economic change by leveraging strategic land assets to improve housing stock, creating new enterprise and employment opportunities for local residents, promoting environmental sustainability and green standards, improving community services infrastructure and addressing social inclusion through better connections between stakeholders within and beyond the neighbourhood.

Background/Implications

Various City of Toronto divisions are responsible for advancing neighbourhood revitalization strategies. Responsibilities include building partnerships and coordination across divisions, planning approvals, delivery of hard infrastructure, financing and capital coordination, affordable, social housing delivery, and community services and facilities planning and development.

Three key neighbourhood revitalization projects have been undertaken in association with the redevelopment of Regent Park, the Lawrence-Allen neighbourhood (including Lawrence Heights) and the proposed new Woodgreen Community Services head office and services facility.

Regent Park

The Regent Park neighbourhood comprises 28 hectares of land and provides housing for approximately 7,500 tenants in 2,100 Rent Geared to Income (RGI) units.

The redevelopment of the neighbourhood was approved by Council in 2003 and will create a mixed income community of approximately 5,400 social and market units and a population of 12,500. The project involves 6 phases, with the first nearing completion.

Phase 1 development includes 405 RGI and 521 market units – many of which are in the first sold-out building, “One Cole”. New retail in the area includes an RBC branch (the first new bank in 60 years), Tim Horton’s,

Sobeys, and Rogers. Approximately 175 Regent Park residents have gained employment through revitalization.

At its August 2010 meeting, Council approved the removal of the Holding Symbol from the Zoning By-law to allow Phase 2 of the project to proceed. Phase 2 will involve the development of major public infrastructure including an aquatics centre, large central park, community recreation hub, and child care centres. The Community Energy System is now operating and will serve all buildings in Regent Park, including the aquatics centre and recreation facility.

Lawrence-Allen Neighbourhood

In July 2007, Council directed the development of the Lawrence-Allen Revitalization Plan (LARP) for the area bounded by Lawrence Avenue West, Bathurst, Dufferin and Highway 401. The focus of the LARP is the revitalization of the Toronto Community Housing (TCH) Lawrence Heights community. Lawrence Heights was built in 1957 on 60.5 hectares of land and accommodates approximately 3,700 tenants in 1,200 units of RGI housing.

After two years of extensive community consultation, the LARP was approved by Council in July 2010, along with the Lawrence Heights Corporate Implementation Actions and Social Development Plan report.

The revitalization of Lawrence Heights will be implemented in 4 phases over a 20 year period. At the end of March 2010, TCH submitted an application for Phase 1. It is expected to go forward to Council for approval, along with the Secondary Plan for the area, during the second quarter of 2011.

Woodgreen Community Services head office and services facility

Woodgreen Community Services (WCS) is a non-profit agency that has provided human services to Torontonians in need for the past 71 years. WCS operates in the east central part of Toronto from 22 different locations. WCS requires a new head office to integrate its administrative operations, meet the changing needs in the community, and improve accessibility by public transportation.

The redevelopment and reconfiguration of the southwest block of Danforth and Coxwell avenues will support the Council objective to seek the highest and best use of City land. At its August 2010 meeting, City Council authorized this start of this project by approving a Memorandum of Understanding with WCS and Toronto Parking Authority.

Next Steps

Lawrence Heights Revitalization will develop a Secondary Plan, a Social Development Plan and a Financial Strategy to be reported to Council for approval in June 2011. The Lawrence-Allen Revitalization preliminary order of magnitude cost is \$590 million; \$350 million for the replacement of the existing 1,208 RGI units and \$240 million for community and hard infrastructure.

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Tower Renewal – Apartment Community Improvement Initiative

Issue

Toronto's high rise rental apartments are home to about 300,000 people. The buildings are getting old and are in need of improvements. Most of the buildings are privately owned and are located in residential neighbourhoods (see attached map).

Without improvements to these apartments, living conditions will decline, operating costs will increase and the buildings will be a detriment to their neighbourhoods. Rents will have to increase just to cover basic operating costs, putting added pressure on the affordability of housing in the city.

Improving the buildings can be done in a way that saves on operating costs so that the improvements are self financing because of reductions in electricity, natural gas, water and waste charges.

There is a need to coordinate and integrate a range of city services to enable owners and residents to achieve improvements.

Background

It is possible to dramatically reduce energy and water use and increase waste diversion in apartment buildings. Engineering reports have found reductions of 50% in electricity use, 70% in natural gas use and 20% in water use, and waste diversion rates improved by 30%, to be possible. Improvements can upgrade the appearance of the buildings and the grounds that surround them. Improving safety and community uses can be included to provide overall better living conditions.

Achieving these improvements will require financing. Currently, building owners typically require a simple payback period of a maximum of 7 years. The types of projects with a payback of up to 7 years involve simple retrofits and can be financed through business operation and maintenance practices. Projects that will realize the greatest benefits require more substantial investment but still have positive rates of return. The simple payback period can be from 8 to 15 years.

Property owners have indicated that investment in comprehensive projects will require financing that does not impact their current financing practices. Specifically they require financing that does not require the use of a new mortgage on the property. This can be accomplished with the use of securing the capital requirement through applying a priority lien status on

project payments, should a default occur. It will also need the creation of a financing option that, once established, is designed to operate on a fully self-sustaining basis, and is based on private sector investment.

With City-wide participation, the investments in improving the buildings will generate substantial private sector investment and create local employment. By providing information and assistance on what to do, how to go about it and linking property owners and residents with the tools they need to take action, improvements will be possible.

Working with a broad range of partners, services can be more effectively delivered. This will support increased levels of performance and bring significant improvements to the quality of life experienced by residents, both of the apartments and for the neighbourhoods that surround the buildings. This financing option requires the use of priority lien status to secure the payments.

Implications

A full range of benefits can be realized including economic development, through the potential for up to \$5 billion in private sector investment and creating thousands of jobs. The major categories of work involve construction to improve the outer skin of the buildings, replacing the heating systems and the design activities that this construction work requires. The improvements can be undertaken on a full cost recovery basis for measures that save on utilities.

Apartment neighbourhoods are optimal hosts for a range of community partnerships including with the Greater Toronto Apartment Association, United Way and Toronto Community Foundation. To illustrate, the Toronto Community Foundation donation of \$188,000 in one neighbourhood has leveraged additional donations, including \$100,000 from Maple Leaf Sports and Entertainment.

Property owners and residents will benefit from this program because it will provide the information and connection to the tools needed to accomplish improvements to apartment buildings and their neighbourhoods.

Current Status and Next Steps

Development of projects at pilot locations is continuing. The outcomes will serve as examples and case studies for project applications on apartment sites throughout the city. In July 2010, City Council endorsed the implementation of the initiative as a City-wide approach, including providing a comprehensive guide and a feasible financing option. The actions needed

to put the program in place, including seeking a regulatory change from the Province to enable the financing option to be established, are underway. Consultations on the implementation guide will be completed in 2010 with program roll-out set for 2011. A report on the implementation of the financing option is expected for summer 2011.

A report on a plan to actively encourage the participation of local businesses and manufacturers in supplying the products and services involved in projects will be submitted to Council in 2011.

At Council's direction there is also an assessment underway of the opportunities in the Weston and Mount Dennis area, to apply tower renewal concepts.

Background Material

Report to Executive Committee dated May 31, 2010

Tower Renewal City Wide Implementation, City Council adopted this item on July 6, 2010 with amendments. EX 45.52

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX45.52>

Implementation Book (Draft)

Tower Renewal is a program that is well worth undertaking. The challenge is how to make it happen. Providing a guiding plan and a suitable financing option are outlined.

www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-31240.pdf

Financing Option

A suitable financing option is outlined. Financing must be both low cost from an interest rate perspective, and not consume high value building owner's equity.

www.toronto.ca/city_manager/pdf/tr_financing_options_report.pdf

Workforce Implications

This document identifies renewal employment opportunities and forecasts future challenges to the recruitment, training and education of the necessary workforce. There is a need to plan ahead to capitalize on these opportunities, thereby strengthening Toronto's local economy.

www.toronto.ca/city_manager/pdf/tr_jobs.pdf

Energy and Water Efficiency

Findings on investigation of ways to improve energy and water use in residential apartment communities.

www.toronto.ca/city_manager/pdf/tr_arup_cep.pdf

Maximizing Waste Diversion

Analysis of potential solutions for improved waste diversion are found in a number of broad areas including technology, building operations, outreach, education and incentives.

www.toronto.ca/city_manager/pdf/tr_waste_diversion.pdf

Tower Renewal Guidelines

Technical Guidelines to instruct how comprehensive retrofit projects can be successfully carried out.

www.daniels.utoronto.ca/trg

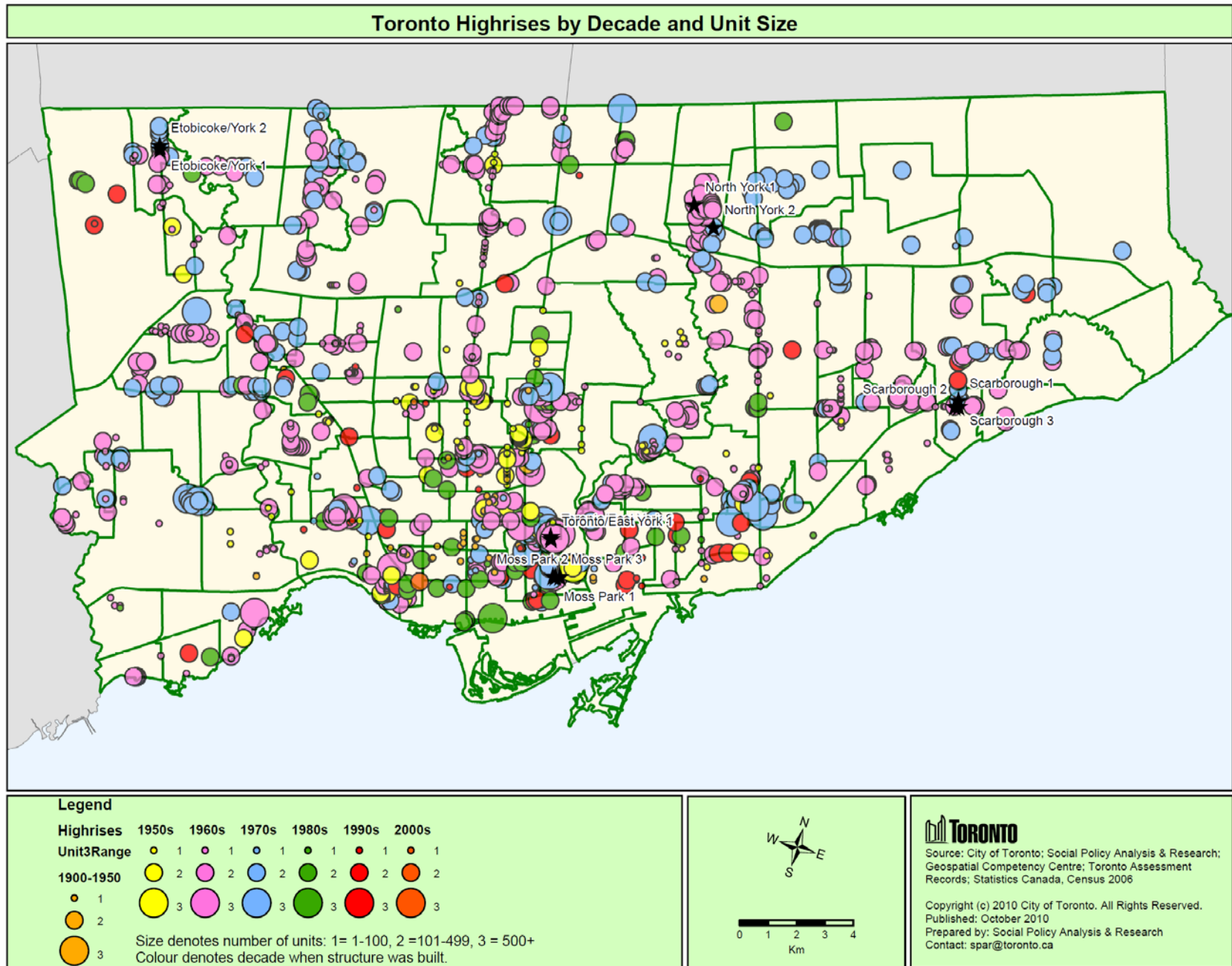
Opportunities Book

Overall introduction to the tower renewal neighbourhood revitalization concept.

http://era.on.ca/blogs/towerrenewal/?page_id=156

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Nathan Phillips Square Revitalization Project

Issue

Nathan Phillips Square (NPS) is Toronto's premier public space and civic gathering place, a leading tourist attraction for the City and a national and provincial landmark. Revitalizing NPS is a priority for the City in its efforts to beautify and restore its public spaces and make Toronto a cleaner, greener and more beautiful city.

The first phase of the project, the rooftop garden on the City Hall podium roof, has been completed and officially opened in May 2010. Construction of the other elements of the project will take place over the next two years, with completion of the revitalization targeted for the end of 2012.

Background

Project History

- Following City Council's approval of the comprehensive framework to hold an international design competition to revitalize NPS, a design competition was held in 2006-07.
- In June 2007, City Council approved the winning design and awarded a contract to the winning design team of Plant Architect Inc. and Shore Tilbe Irwin & Partners in Joint Venture to prepare the detailed design drawings to implement the project.
- In 2007, the City received three awards for the NPS design competition process and winning design.
- Some areas of NPS are currently underdeveloped and underutilized. Many of its structures and facilities have fallen into a state of disrepair, some have been closed and some no longer meet the needs of today's users and programs. Modifications are required to meet the new functional requirements of NPS and enable the hosting of a greater number and variety of public activities and special events on the Square.

Planned Improvements to Revitalize Nathan Phillips Square

- a rooftop garden on the City Hall podium roof, including landscaped gardens, a courtyard framing the Council Chamber, a podium terrace and new walkways, creating Toronto's largest, publicly accessible green roof;
- a versatile new stage structure with a roof canopy, wide stairs leading to the elevated walkway and performance support space below grade;

- a new public skate pavilion at the southwest corner of the Square, with rink support facilities, a food concession, public washrooms and a roof terrace overlooking the Square;
- a new restaurant with outdoor patio and terrace dining and access to the adjacent overhead walkway and public roof terrace;
- a visitor/tourist information centre within a new glass pavilion at the corner of Queen and Bay streets;
- a larger and enhanced Peace Garden at a new location in the western landscaped area of the Square;
- a redesigned landscape around the edges of the Square and west side, with an increased number and variety of trees, mixed tree species and an innovative soil system;
- sustainable design achievements linked to Toronto's Green Standard, such as: a soil regeneration strategy; improved tree planting conditions and increased biomass and number of trees; improved pedestrian environment; controlling light pollution; energy efficient design; renewable energy features; opportunities for public education; attention to the on-site microclimate; and sourcing of local materials;
- extending paving from the Square to the newly landscaped Queen Street forecourt;
- a relocated and redesigned PATH pedestrian walkway connection in the underground garage leading from/to City Hall;
- upgrading the overhead walkways with new paving, seating, glass balustrades, light wells and improved access;
- a seasonal disappearing water fountain feature in the centre of NPS; and
- a new underground bicycle parking facility, including secure bike lockup and shower/change facilities.

New Governance Structure

The Council-appointed Nathan Phillips Square Revitalization Public Advisory Group (NPSRPAG), with assistance from the City Manager's Office, reviewed options and best practices for governance, programming and financing of NPS and recommended a new governance framework to ensure the proper management and long-term sustainability of NPS.

In December 2009, City Council approved a new governance model for NPS, which includes reconstituting NPSRPAG as the new Nathan Phillips Square Community Advisory Committee and centralizing the NPS management function in the Cultural Services Section of the Economic Development and Culture Division.

The new model will be phased in while the NPS revitalization occurs.

Implications

Nathan Phillips Square requires investment in ongoing state of good repair projects to maintain the existing facilities and upgrade outdated infrastructure. These remedial actions would not have addressed some of the significant design issues and functional shortcomings that have detracted from the importance and usefulness of the Square.

Current Status and Next Steps

Construction on the main part of NPS is phased and has started along the western side of the Square and will move around the site to the south, east and north sides.

The demolition of the existing skate concession building has been completed. Construction of a new skate pavilion is underway for completion targeted for the end of January 2011. Provisions for temporary facilities are planned to allow for the skating rink to be operational for the 2010 skating season.

Construction activity will continue on NPS until the end of 2012 and is scheduled to minimize disruption for users of NPS, while ensuring that the project is completed on schedule and within budget.

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Fort York Visitor Centre Funding

Issue

The Fort York Visitor Centre is scheduled to open for the Bicentennial of the War of 1812 in June 2012. The project construction tender will be issued in January 2011 and awarded by March 2011 to meet the completion date. It is possible that funding from outside sources will not be received before the construction tender date.

Background

The City is building a Visitor Centre at Fort York to enhance the visitor experience and make the Fort a more vibrant attraction. The \$23 million project is funded by the City through the capital budget with anticipated contributions from the Federal and Provincial governments, plus private funds raised by the Fort York Foundation.

Federal funding has been secured and Provincial funding has been requested. The Fort York Foundation has set a target of \$6 million but it has not yet been secured.

Implications

The schedule for construction of the Fort York Visitor Centre is very tight and any delay in issuing the construction tender will mean that the building will not be ready for June 2012.

Current Status and Next Steps

The design of the Visitor Centre was selected through a national design competition. The schematic design phase has been completed and the project is currently in design development.

The project is on track to be ready to issue the construction tender in January 2011

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Coordination of Major Capital Infrastructure Projects

Issues

- Ensure the efficient delivery of major capital infrastructure projects led by City Divisions and key third-party sponsors, including Metrolinx, Infrastructure Ontario, Ontario Realty Corporation, Waterfront Toronto and Toronto 2015 (Pan Am Games).
- Initiate and maintain effective communication between City Divisions and third-party sponsors, through all stages of project planning and implementation, including the identification and resolution of potential conflicts that would adversely impact the scope, schedule and budget of each project.
- Ensure that the review and approval of non-standard elements in major capital infrastructure projects have been properly assessed by the Divisions that will be responsible to operate and maintain those assets over their lifecycle.

Background

The delivery of Transportation Services' and Toronto Water's capital works programs are becoming increasingly challenging because of increased scope, reduced schedules, and the obligation to control project risks to avoid budget increases and cost over-runs. This condition is made more complex by the role of other organizations that have mandates and budgets to deliver major capital infrastructure projects that Toronto will acquire and be responsible to operate and maintain.

Recognizing the critical need for an improved capital planning, delivery, and lifecycle management process, City Council adopted the report, *Plan to Improve the Development and Implementation of a Coordinated Multi-Year Joint Transportation Services and Toronto Water Capital Program*. Since adoption by Council in July 2007 significant steps have been taken to implement a project delivery framework to support the implementation of a 5-year coordinated capital works program.

Major Capital Infrastructure Coordination Office

The Major Capital Infrastructure Coordination (MCIC) Office was established in 2008. The mandate of MCIC is to provide cohesion and coordination to the planning, designing and delivery of major capital infrastructure. This role is fulfilled by leading several steering committees, working groups and direct

liaison with the lead officials responsible for project delivery. Current groups that are chaired by the Director of MCIC, include:

- Capital Coordination Directors Steering Committee
- Capital Program Coordination Working Group
- Capital Program Management Working Group
- Street Elements Working Group
- Transit City Design Liaison Working Group

The Director of MCIC also contributes to the following groups:

- City-Provincial Projects Steering Committee
- Transit City Steering Committee
- Project Tracking Portal Working Group

Furthermore, the Director of MCIC has established communication with key external developers of major capital infrastructure in the City (Metrolinx, Infrastructure Ontario, Ontario Realty Corporation) to ensure pre-emptive response to issues that affect the relationship between those parties and Toronto, and the advancement of their projects.

Since the inception of the MCIC office, several key initiatives have been developed and integrated into City processes to implement and monitor major capital infrastructure projects, including:

- Implementation of an inter-divisional process to coordinate capital project delivery across the Transportation Services, Technical Services, Toronto Water, Solid Waste Management, City Planning, Economic Development & Culture, and Parks, Forestry and Recreation Divisions, resulting in the first 5-year coordinated capital works program;
- Implementation of a structured process for consideration of urban design, public realm, heritage, urban forestry, cycling and pedestrian features in the capital planning and delivery process;
- Implementation of a structured process to improve coordination with external stakeholders, such as the Toronto Public Utility Coordinating Committee, who are interested in the orderly, safe and efficient planning, design, construction and maintenance of services within the public road allowance.
- Detailed tracking and mapping of the staging of major capital infrastructure projects led by the City and other parties to monitor and report on the efficiency of capital infrastructure project delivery; and

- Development of an automated tool to capture key details of the capital infrastructure programs of all City and third-party developers, including public utilities, to standardize and harmonize the mechanism for coordination efforts and outcomes.

Current Status and Next Steps

A priority for the MCIC is to improve and put in place the appropriate mechanisms to ensure the efficient and effective delivery of major capital infrastructure projects. This will also improve the level of information that is available to City Divisions that are responsible for the delivery of capital projects according to approved budgets and cash flows.

The MCIC is also working to clarify and strengthen Toronto's role, responsibilities and accountability with respect to the design, planning and delivery of major "city building" initiatives, including the Transit City projects, 2015 Pan American Games, waterfront redevelopment, GO transit expansion and a wide range of social accommodation projects that will be implemented by Ontario Realty Corporation and Infrastructure Ontario.

The MCIC is being proactive in the application of risk management and mitigation practices to a wide range of major capital infrastructure projects to ensure delivery in accordance with approved scope, schedule and budget.

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John Street Environmental Assessment & Corridor Improvements

Issue

To examine potential improvements to the public realm by enhancing the cultural significance of and improving pedestrian facilities on John Street between Front Street West and Stephanie Street consistent with the concepts outlined in the Toronto Entertainment District Master Plan.

Background

In 1996, the King-Spadina Secondary Plan was enacted to attract investment for a broad range of uses in a manner that reinforced the historic built form of the area.

In 2001, as part of the report titled "Canada's Urban Waterfront – Waterfront Culture and Heritage Infrastructure Plan", John Street was identified as one of seven cultural corridors within the City of Toronto.

In 2005, a focused review of the Secondary Plan identified John Street as a priority for public realm improvement within the Secondary Plan area.

In 2009, the Toronto Entertainment District Business Improvement Area (BIA) Master Plan set forth a vision to guide the revitalization and enhancement of the District to benefit existing and future businesses, residents and tourists. The John Street corridor was identified as a priority for improvements to bring to fruition its potential as an appealing, north-south pedestrian-oriented spine and arts and culture-focused promenade.

In February 2010, an Environmental Assessment Study (EA) was initiated and funded by the Toronto Entertainment District BIA. The BIA retained a consultant team to undertake the EA study. The EA is being managed on behalf of the BIA by staff in the Transportation Services Division.

Implications

The Toronto Entertainment District BIA is working on securing funding for the project. No capital funding has been identified for John Street within the 5 year Capital Works Program.

Current Status and Next Steps

The Environmental Assessment Study underway since February 2010 is expected to be completed in the first quarter of 2011. The Environmental Study Report (ESR) will be subject to a legislated 30-day public review period prior to Ministry of Environment (MOE) approval.

In conjunction with the EA work underway, the City is identifying and coordinating with City Divisions and utility companies additional work that may be triggered as a result of work proposed on John Street. By the end of the EA process it is anticipated that a coordinated schedule for implementation will have been identified, subject to funding secured for this project.

Once funding has been secured for the project, it will be included in the 5-year budget planning cycle for detailed design and implementation.

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St. Lawrence Market North Redevelopment

Issue

Implementation of the winning design from the St. Lawrence Market North Building Design competition.

Background

- 2003: start of Council-endorsed process to develop new North Market building.
- December 2009: Council approved \$74.89M for a new four storey market/courts/parking building to replace the existing one storey 'temporary' building at 92 Front Street East.
- November 2009: the City launched an international design competition for the new building, and invited eligible architects to submit Expressions of Interest. Out of 30 submissions received, 5 teams were short-listed to provide detailed designs.
- May 7-9, 2010: designs from the 5 short listed teams were put on display at St. Lawrence Hall. The public were encouraged to provide feedback in person and on-line.
- May 17-19, 2010: a 7 member Competition Jury with expertise in architecture, heritage, sustainability and energy efficiency, fresh food markets and the arts met to review the short-listed designs and select a winner.
- June 7, 2010: Adamson Associates and Rogers Stirk Harbour Partnership were announced as the winning team by the Mayor and local Councillor.
- July 6, 2010: City Council endorsed the winning design and team, and awarded the contract for architectural services to Adamson et al.

Implications

- This is a high profile project with considerable public focus and interest.
- Many interested stakeholders: local ratepayer groups, City-wide residents, farmers, South Market vendors, local BIA, heritage interests, architectural profession, and mass media.
- Need to undertake detailed design, and implement the detailed design and construction on time (2014/15 completion) and on budget.
- The winning design received many supportive comments from the public and media.

- Stakeholders have the expectation that the City will implement the winning design and begin the process of constructing a new North Market building.
- During construction, the North Market farmers will be located in a temporary, reusable structure to be erected at 125 The Esplanade. This site, south of the South Market building, currently serves as a Toronto Parking Authority parking lot.

Current Status and Next Steps

- verifying the cost estimates submitted by the winning team for compliance with the City's project budget;
- working with the winning team to address zoning issues and to obtain the necessary planning approvals (Committee of Adjustment, site plan approval); and
- installing a small display area in the existing North Market building of the winning design to keep Market vendors, North Market farmers and local community informed on project progress.

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Old City Hall Revitalization

Issue

Old City Hall is currently leased to the Province of Ontario for its court operations. The building is designated as a heritage building and is an iconic landmark building. The lease to the Province ends in 2016. The City must find an alternative use for the building which provides a level of public access and demonstrates the City's stewardship of its significant public assets. The lease with the Province generates approximately \$8,666,000 in revenue annually.

Background

In May 2008, Council directed City staff to advise the Province that the lease would not be extended beyond December 2016 and requested staff to report on potential uses for Old City Hall. Subsequently, with the failure of the Toronto Museum Project to find location on the Waterfront, the feasibility of locating this proposed facility in Old City Hall has been considered and is part of a current study that is being undertaken jointly by Facilities Management and Economic Development and Culture.

There is an ongoing State of Good Repair program that includes upgrades to the building systems, the installation of Deep Lake Water Cooling and improvements to the electrical and mechanical facilities.

City staff have undertaken various studies including a review of the existing building conditions and new uses for the building, concurrent with reviewing the building's fit for the Toronto Museum Project. The findings from this work will be reported to Council in 2011.

Implications

It is important to take a proactive approach to finding new uses for the building prior to 2015. New uses should showcase its historic significance while also helping replace at least some of the lost revenue from its current function.

Current Status and Next Steps

In accordance with Council direction, staff is undertaking various studies to be reported to Council in 2011. The financial opportunities and challenges, including innovative approaches will be reported as part of the study findings. A public outreach program will be required to build community support as well as finding partnership opportunities for this project.

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Toronto Zoo: Capital Investment

Issue

The Toronto Zoo has been revitalizing exhibits and infrastructure over the last 20 years through the Capital Works Program. The Zoo is undertaking a capital campaign targeting support from private sources to deliver our vision. The 2011-2020 Capital Program sets out the funding required from the City and external sources for each project.

Background

The Toronto Zoo is among the top 10 zoos in North America. The Zoo has a stable attendance base and in 2009 attracted 1,460,000 visitors – the 3rd highest attendance in our 36 year history. The Toronto Zoo has a loyal community with over 33,000 membership households. The Zoo has been voted “Best Family Outing” in a wide-reaching poll by Toronto.com and in independent research conducted by Decima for the Toronto Star.

To ensure the Toronto Zoo remains a destination of choice, an appropriate level of capital investment is necessary to maintain a state of good repair, meet heightened public viewing expectations and satisfy our future accreditation requirements. This capital request is based on the following major reports completed previously: the Building Audit Report and Site Services Study, the Revenue and Visitor Experience Enhancement Study, the report on Information Needs 2000, the North Zoo Site Redevelopment Schematic Design, the Animal Health Facilities Feasibility Study, the Educational Development Feasibility Study, the Audit of Animal Exhibits & Holdings, and the Elephant Feasibility Study. The plan is also a continuation of the Zoo's twenty-five year Capital Master Plan of 1990 and is consistent with the directions provided in the 2009 Strategic Plan.

The Toronto Zoo remains committed to working with the City to obtain more “non-City” funding for capital projects. In 2009, with the wind-up of the Toronto Zoo Foundation (a separate entity with the mandate to raise funds for the Zoo), the fundraising program was assumed by the Board of Management. The Zoo has a capital campaign underway, supported by a campaign feasibility study completed in January 2008 and a campaign readiness plan completed in 2010.

The capital campaign will be completed in phases. Phase 1 was completed with the opening of the Tundra Trek, which included a contribution of \$2.5 million from private sources.

Phase 2 includes the Animal Health Centre, Eurasia, Canadian Wilderness, the Penguin Exhibit and Site Accessibility. A target of \$39 million in private funds has been set for Phase 2. The Panda Exhibit would also become part of Phase 2, if the acquisition of giant panda is negotiated successfully with the Chinese government. Future phases will depend on the success of Phase 2.

Implications

The execution of the capital campaign is predicated on the City providing an appropriate level of investment as the owner of the Toronto Zoo. We believe that with the City's capital contribution, the Zoo can raise external funds and in total this will provide the investment necessary to keep the Toronto Zoo vibrant and a destination of choice. If this partnership is not successful, the Zoo's exhibits and infrastructure will deteriorate resulting in a decline in attendance.

Current Status and Next Steps

The Toronto Zoo's 2011-2020 Capital Works Program has been submitted to the City. The incoming Council will need to consider the importance of funding the Toronto Zoo's program, given the implications on the future success of the Zoo.

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Exhibition Place: Development of the Exhibition Place Site

Issue

Exhibition Place is Canada's largest entertainment venue, attracting over 5.3 million visitors a year. The 192-acre site is an integral component of Toronto and Ontario's economy, particularly with respect to sport, festivals, recreation, culture and tourism.

Background

In 1998, the Board of Governors approved the "Exhibition Place Program & Development Concept Plan" (the "Plan") as a blueprint for future planning of the site. The Plan segmented the site into three distinct areas: the west end with its park and historic buildings; central part for large entertainment and sport structures; and the east end with its major trade show building. Priorities set for redevelopment included the development of a hotel/conference centre; the revitalization of the underutilized historic buildings; and development of the site as a festival venue. As a result of the enormous capital costs required to revitalize the historic buildings at Exhibition Place, the redevelopment initiatives required partnerships with the private sector.

The Fung Waterfront Task Force Report and the City Waterfront Plan "Making Waves" both proposed development objectives similar to the Board of Governors' Plan. These objectives included revitalization at the west end of the site to encourage year-round entertainment activities and the continued development of the east end of the grounds for trade and consumer activities, trade marts and hotel.

During the period 1999 to 2003, the Board of Governors achieved many of its development priorities and revisited its 1998 Development Plan in the larger context of the City Central Waterfront Plan and launched its 2004 Development Concept Plan. The 2004 Development Concept Plan introduced the Board's initiatives for environmental excellence and a business objective to finalize the development of a conference / meeting centre and conference hotel, which objectives have now been fully realized.

A 2009 Strategic Plan was approved by the Board of Governors with a Vision *"to foster Exhibition Place as an inclusive and accessible parkland and business destination for entertainment, recreation, sporting events and*

public celebration and, in doing this, operate as a self-sustaining and environmentally responsible entity". Our Mission is to:

- Foster and promote business stimulation, locally, nationally and internationally, to generate positive economic impacts and benefits.
- Support local, national and international public celebrations.
- Invest in, demonstrate and promote innovation in environmental sustainability.
- Protect, revitalize and enhance our historically significant public assets and our parkland.
- Maintain long-term operational financial stability.

Implications

- Increased year-round use of grounds for entertainment/trade show/festival activities while preserving public access to the grounds.
- Preservation of the site for annual CNE and Royal Agricultural Winter Fair.
- Ensure adequate infrastructure to support existing and future developments.
- Conservation and reuse of existing buildings while respecting the high quality and historical characteristics of the grounds.
- Contribution to the City's efforts to make Toronto a destination city thereby enhancing the overall economic development and tourism strategy objectives.
- Generation of additional revenues to the City and/or reduction to operating/capital costs.

Current Status

- Long-term lease of Ontario Government Building to Liberty Grand Entertainment for a banquet/entertainment complex completed in 2001 resulting in capital investment of approximately \$10.0M with estimated financial return to City over 20 year term of \$4.084M in rental income.
- Long-term lease of Horticulture Building for a concert/nightclub venue opened in 2006 resulting in a capital investment of \$1.5M and estimated financial return to City over 20 year term of \$4.8M in rental income.
- Long-term lease of Bandshell Restaurant for year-round full-service restaurant opened in 2006 with a capital investment of \$0.8M and estimated financial return to City over 20 year term of \$0.5M in rental income.

- Long-term lease with the Toronto Mounted Police Unit and the Toronto Board of Health (Animal Services) to establish permanent operations within the Horse Palace including \$2.0M in capital upgrades.
- Long-term lease with the Queen Elizabeth Theatre to establish a year-round concert/entertainment venue opened in 2009 with a capital investment of \$0.5M and estimated financial return to the City of \$2.75M over the lease term. The leasehold interest was expanded in 2010 to the Fountain Dining Room to be used as a restaurant / corporate entertainment venue with a capital investment of \$0.8M and estimated financial return to the City of \$2.2M over the lease term.
- Long-term lease with Borealis (the development arm of OMERS), Maple Leaf Sports & Entertainment for the renovation and operations of Ricoh Coliseum with a capital investment of \$38.1M and an estimated financial return of \$15.5M over the 20 year lease term.
- Long-term lease with a Hotel Developer, HK Hotels, for the construction of a 325-suite hotel west of Allstream Centre located at the east-end of the grounds.
- In addition to long-term redevelopment projects, entered into short-term leases with seven other tenants who now operate year-round businesses on site such as the Exhibition Place Riding Academy and the Toronto Fashion Incubator.
- Existing private sector leases at Exhibition Place earn \$1.1M annually excluding parking for the Board and result in realty taxes of \$1.25M.

Next Steps

- Establishing priorities for the next 5 years to increase our visitation and temporary bookings in our trade, consumer and conference / meetings facilities (Direct Energy Centre, Allstream Centre, Better Living Centre and Queen Elizabeth Hall).
- Design and development of a "Festival Plaza" in the center of the site.
- Working with City Transportation and the TTC on upgrades to the Dufferin Bridge and transit improvements.
- Construction of the hotel to be opened for business in 2014.
- Capital improvements to the Better Living Centre to allow for more useable year-round space.

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Transit City Light Rail Plan

Issue:

- The *Transit City Light Rail Plan* consists of 8 light rail lines totaling 130 km.
- The *Transit City LRT Plan* was developed by the TTC, adopted by the City of Toronto, included in the Province of Ontario Move Ontario 2020 Transit vision, and approved by Metrolinx as part of the Big Move Regional Transportation Plan. The four Transit City Phase One projects are being implemented with funding provided by Metrolinx.



Background/ Key Facts:

In March 2007, the Toronto Transit Commission approved the *Transit City LRT Plan* and proceeded with preliminary project planning and environmental

assessments and established a dedicated project team. Initial funding was provided by the City of Toronto through the TTC Capital Budget.

In June 2007, the Province of Ontario announced the Move Ontario 2020 transit vision for the Greater Toronto and Hamilton Area consisting of 52 transit projects and commitment of \$11.5 billion in Provincial funding. Metrolinx was asked to oversee the program and report back on scope, budget and implementation through the development of the Greater Toronto and Hamilton Area Regional Transportation Plan.

The 2008 Provincial Budget included initial funding of \$7.1 million for the Transit City project planning as part of the Metrolinx Quick Wins funding.

In December 2008, the Metrolinx Board approved the Big Move, the Greater Toronto and Hamilton Regional Transportation Plan. The Big Move included all the Transit City projects and identified the Sheppard East LRT, Eglinton Crosstown LRT, Finch West LRT and the Scarborough RT in the 15 priority projects for early implementation.

In 2009, the Province of Ontario announced committed funding totaling \$8.15 billion for four priority projects in Toronto - Sheppard East LRT (including \$333 million from the federal government), Finch West LRT, Eglinton Crosstown LRT and Scarborough RT.

Also in 2009, the Province of Ontario amended legislation to provide for Metrolinx to transition from a planning agency to delivery of transit projects and announced a new transit delivery framework in which Metrolinx would be responsible for approval of scope, budget, schedule and delivery of the four priority projects and would own and control the transit assets.

The 2010 Provincial budget confirmed the funding for the Transit City projects and established the funding envelop for the first five years. Subsequently the Metrolinx board approved the "5 in10 Plan" including the scope, schedule and budget for the implementation of the four Transit City Phase One projects to be completed by 2020.



Implications:

The Transit City Light Rail Plan introduces a new form of rapid transit to Toronto that will provide:

- highly-reliable and frequent service eliminating the delays to transit caused by operation in mixed traffic
- fully-accessible design, so that people with all levels of mobility can use the service with confidence and ease
- high quality transit service to northern, western, and eastern areas of Toronto that are not currently linked to rapid transit
- connections with all existing rapid transit routes and the GO Transit network and opportunities for extensions to Mississauga, York Region, and Durham Region
- ample capacity for projected ridership in all proposed corridors, with the capability to expand to meet increasing demands at a much lower cost than subways.

The importance of excellent transit for the health and vitality of big cities is well documented. Transit helps cities be more livable and vibrant by:

- providing increased mobility for people so that they can take advantage of the employment, educational, recreational, and many other opportunities
- improving air quality and, in doing so, improving people’s health and their ability to enjoy outdoor spaces and activities

- freeing up road space for goods movement and reducing the wear-and-tear on city roads and the need to spend tax dollars on repairing and expanding road infrastructure
- providing for long-term economic growth and environmental sustainability by reducing climate-changing emissions and reliance on fossil fuels

The City of Toronto recognized the importance of transit to its growth and economic development. The Official Plan states that no new roads will be built in Toronto and that all growth in travel demand will be carried on transit. These policies recognize the important relationship between transportation and land use: new population, employment, and development, are all to be located at existing rapid transit stations or along existing major transit corridors. This policy of intensification will allow more productive and efficient use of the City's infrastructure – including transit – and this reduces the amount of public tax dollars which will be required in the future to build new infrastructure.

Current Status and Next Steps:

Transit City implementation is progressing with the design and construction of the projects while working with Metrolinx on the transition to the new transit delivery approach.

Project Status

The Transit City Phase One projects are being implemented as follows:

- Sheppard East LRT Phase One
 - 12km, 26 stops – Don Mills Station to Conlins Road
 - Construction Start 2009
 - Agincourt GO Grade Separation Construction in 2010 - \$28 million
 - Opening for service - Mid 2014
 - Metrolinx funding - \$1.130 billion (escalated)
- Eglinton Crosstown LRT Phase One
 - 19 km, 27 stops and stations
 - 10 km underground – Black Creek to east of Brentcliff Road
 - 9 km at-grade – Kennedy Road to Laird Drive and Black Creek Drive to Jane Street
 - Tunnel Boring Machines ordered in 2010 - \$54 million
 - Construction Start - 2011
 - Open for service - 2020
 - Metrolinx funding - \$6.065 billion (escalated)

- Finch West Phase One
 - 11 km, 20 stops – Keele Street/ Spadina Subway to Humber College
 - Construction Start - 2015
 - Open for Service - 2019
 - Metrolinx funding - \$1.28 billion (escalated)

- Scarborough RT
 - 10 km, 8 stations
 - Construction Start 2015
 - Open for Service 2020
 - Metrolinx funding - \$ 2.4665 billion (escalated)
 - City - \$65 million for the addition of underground yard connection

- LRV Vehicle Order
 - 182 LRVs for all 4 Phase 1 projects
 - Contract awarded in June 2010 by Metrolinx to Bombardier for \$777 million

As part of the new Council and Commission transition, TTC staff will provide briefings on the Transit City project implementation issues including:

- minimizing construction disruption
- community relations and communications
- project scope
- project construction schedules

Project Structure

With the funding of the four Transit City projects, the Province of Ontario established a new transit project delivery framework and gave Metrolinx responsibility for ownership of the transit assets, including vehicles, yards and right of way, and for approval of the scope, budget, schedule, procurement and delivery for the projects.

In May 2010 Metrolinx approved the scope, budget and cashflow for the four Transit City Phase 1 projects and the Viva project in York Region as its “5 in 10 Plan”. In June 2010, the Province of Ontario approved the “5 in 10 Plan”.

The Commission, City of Toronto and Metrolinx have entered into an Interim Funding Memorandum of Agreement for Metrolinx to provide funding of the projects to May 31, 2011.

TTC, City of Toronto and Metrolinx officials are also developing a 'Master Agreement' setting out the roles, responsibilities and relationships required to transition to the new transit project delivery approach for the Transit City Phase 1 projects in which the TTC delivers the projects on behalf of Metrolinx. The Master Agreement is expected to be completed in the next few months. Reports will come forward to the Commission and Council in the new term setting out the agreement's provisions and seeking authority for the TTC Chief General Manager and the City Manager to sign on behalf of the TTC and Toronto respectively.

During 2009 an organizational approach was developed to ensure Metrolinx meets its responsibilities as owner of the transit assets while relying on the TTC expertise and program management resources to ensure the momentum to deliver the projects is maintained. A program executive group was established to provide a forum for discussion of implementation issues. The group consists of the Metrolinx President and CEO, the Toronto City Manager, and the TTC Chief General Manager, and Infrastructure Ontario President and CEO.

Metrolinx and TTC also agreed on a project implementation organization that would provide for Metrolinx approval for procurements. As of September 1, 2010 the Commission will no longer award contracts for Transit City projects. Metrolinx as funder and owner of the projects will award all contracts.

Project agreements will be developed to define the scope, budget and schedule for the projects and TTC responsibilities in the delivery of the projects on behalf of the owner, Metrolinx. These agreements will be completed once the projects have reached a level of design that will provide for reliable cost estimates. Subsequent agreements will address the operation and maintenance of the projects.

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Metrolinx

Background

In May 2010 Metrolinx announced its "Achieving 5 in 10 Plan" committing funding to implement regional transportation projects in the GTA including the four Transit City Phase 1 projects in Toronto. The Toronto Transit Commission is delivering Transit City of behalf of Metrolinx.

Metrolinx is also responsible for delivering the Georgetown South rail corridor expansion and Union-Pearson rail link and GO transit improvements including Union Station improvements.

Ontario Bill 163, the *Greater Toronto and Hamilton Area Transit Implementation Act*, which received Royal Assent on May 14, 2009, provided Metrolinx with considerable responsibility over the regional transportation area (see "Appendix A: Area of Metrolinx Mandate"), including the power to:

- operate and deliver GO Transit, other passenger transportation systems, and any local transit system or other transportation service by agreement with a municipality;
- enter into commercial arrangements with municipalities to construct and operate a passenger transportation system;
- coordinate decision-making and investment among municipalities and the federal and provincial governments, in transportation infrastructure, including the integration of routes, fares and schedules of the regional transit system and of local transit systems;
- implement and operate the Presto card system;
- expropriate land for the purpose of carrying out objectives; and
- act as a central procurement agency for the procurement of local transit system vehicles, equipment, technologies and facilities and related supplies and services on behalf of Ontario municipalities.

In 2008 The Metrolinx board adopted the Big Move Regional Transportation Plan (RTP) for the Greater Toronto and Hamilton Area. In May 2010 Metrolinx approved a five-year capital plan the "5 in 10 Plan" consisting of the Transit City Phase 1 projects and the York Region Viva project. Metrolinx is required to prepare an investment strategy and recommendations to be submitted to the Minister of Transportation by 2013. The investment strategy is to include proposals for revenue generation tools that may be used by the province or municipalities to support the implementation of the transportation plan.

Metrolinx is governed by a board of directors (see "Appendix B: Metrolinx Board of Directors") consisting of 15 provincial private sector appointees; elected and public service officials are specifically prohibited from serving on the board.

Current Status and Next Steps

The "Achieving 5 in 10" plan, commits funding to the following priority projects to 2020:

Project	Funding (\$2008b)	Start	Municipality
York Viva Bus Rapid Transit	1.4	Immediate	York
Sheppard East Light Rail	0.95	Immediate	Toronto
Eglinton Crosstown Light Rail	4.6	Immediate	Toronto
Finch Light Rail	1.2	2015	Toronto
Scarborough Rapid Transit	1.4	2015	Toronto
Total	9.5		

On September 16, 2010 Metrolinx President and CEO, Bruce McCuaig, announced the following priorities:

- build the Union-Pearson air-rail link;
- expand and improve GO Transit; and
- develop an investment strategy and make recommendations by June 1, 2013.

Key Facts

Metrolinx, an Ontario Crown Corporation, is governed by the Metrolinx Act of 2006 (formerly the Greater Toronto Transportation Authority Act of 2006). It was created to develop and implement an integrated multi-modal transportation plan for the Greater Toronto and Hamilton Area.

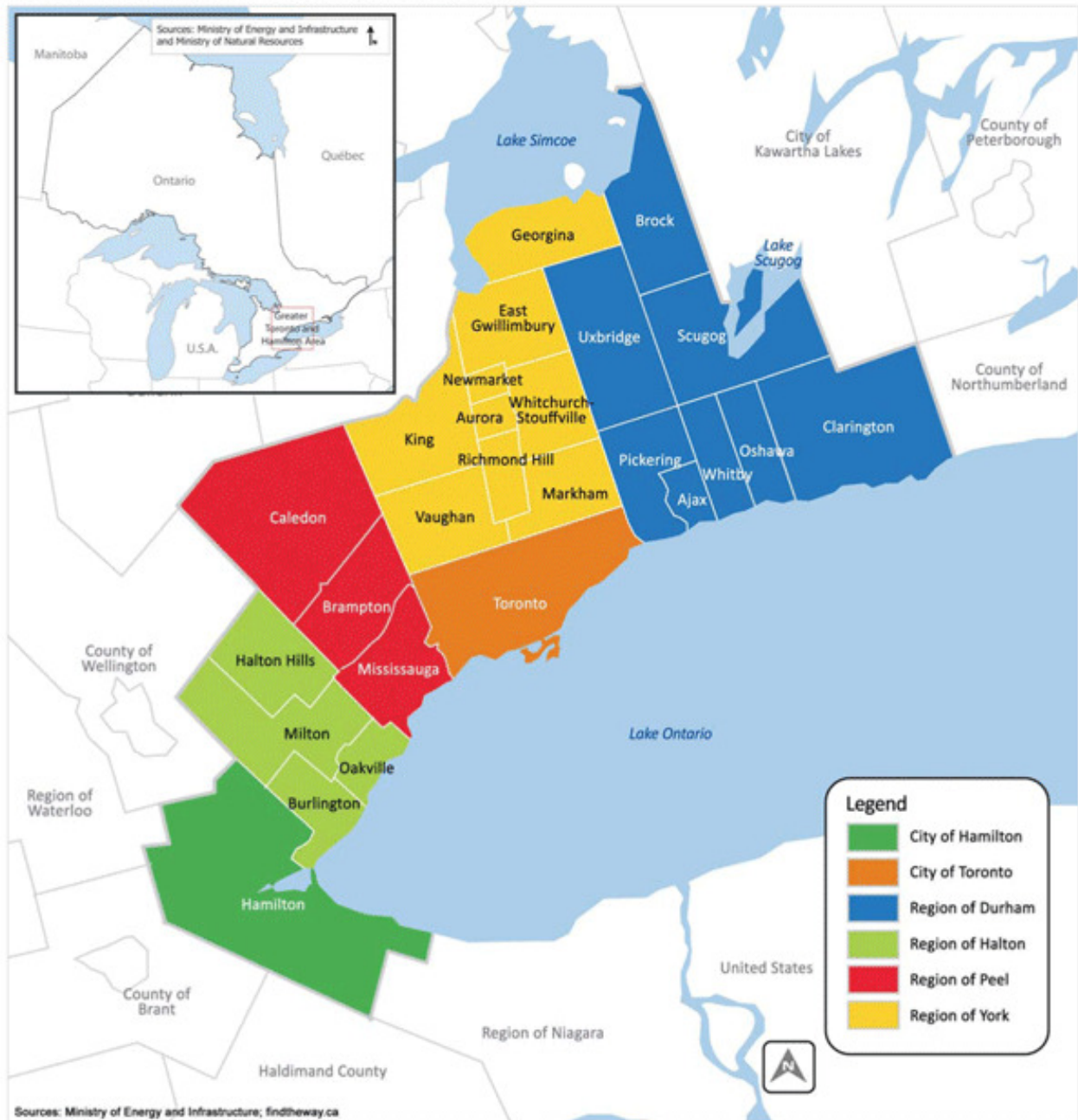
Metrolinx reports to the Minister of Transportation. At the present time, the Province provides its sole revenue source. The Ministry of Transportation through the Treasury Board authorizes an annual budget allocation.

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Appendix A: Area of Metrolinx Mandate

THE GREATER TORONTO AND HAMILTON AREA



Appendix B: Metrolinx Board of Directors

J. Robert S. Prichard	Chairman of Torys. Previously served as President and CEO of Metrolinx
Peter Smith	President and Co-Founder of Andrin Limited
Elyse Allan	President and Chief Executive Officer of GE Canada
Jennifer E. Babe	Partner, Miller Thomson LLP
Paul Bedford	Urban Mentor and Chief Planner Emeritus, City of Toronto; Adjunct Professor of City Planning at the University of Toronto and Ryerson University
Rahul Bhardwaj	President and CEO, Toronto Community Foundation
Tony Gagliano	Executive Chairman and Chief Executive Officer of St. Joseph Communications
Joseph A.G. Halstead	Former Commissioner responsible for Economic Development, Culture and Tourism in the City of Toronto
Richard Koroscil	President and CEO, John C Munro Hamilton International Airport
Nicholas Mutton	Executive Vice President, Human Resources and Administration, Four Seasons Hotels and Resorts
Lee Parsons	Founding Partner, Malone, Given Parsons Ltd
Rose M. Patten	Senior Executive Vice-President, Head of Human Resources and Senior Leadership Advisor, BMO Financial Group
Stephen Smith	Co-Founder, Chairman and President of First National Financial LP
Douglas Turnbull	Deputy Chairman of TD Securities
Bruce McCuaig	President and Chief Executive Officer of Metrolinx

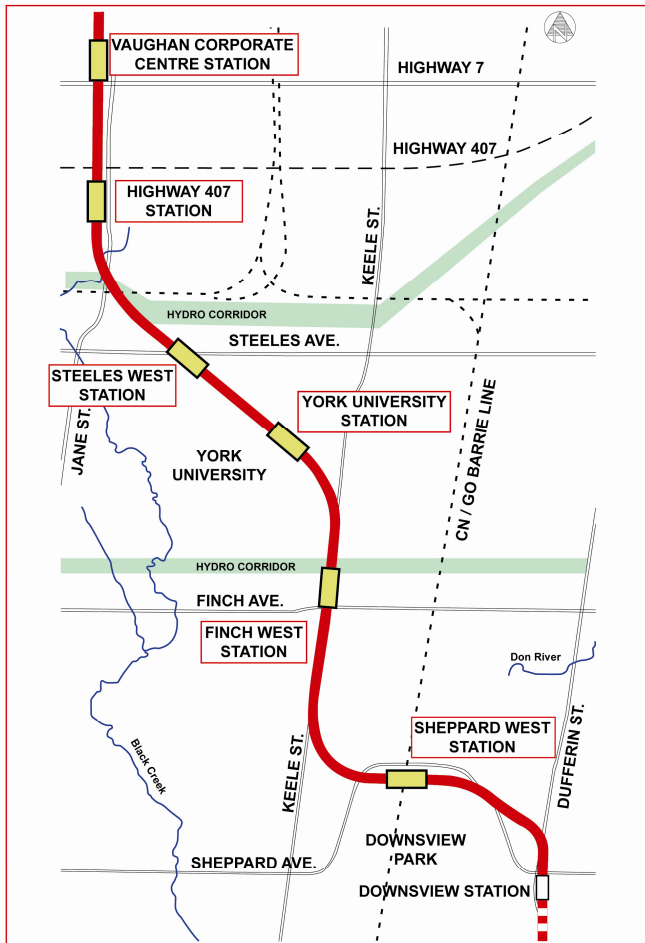
Toronto-York Spadina Subway Extension Project

Issue

Project Description

The Toronto-York Spadina Subway Extension (TYSSE) Project is an interregional project, involving an 8.6 kilometre, 6 station extension of the existing Spadina subway line from its present terminus at Downsview Station to Vaughan Corporate Centre in the Regional Municipality of York ("York Region"), at an estimated cost of \$2.6 billion (expressed in nominal dollar terms). Revenue service is anticipated in late 2015.

The subway alignment is presented below.



Toronto-York Spadina Subway Extension

Background

Funding, by Partner

Partner:		\$ millions	% of funding
Provincial		\$1,059*	40.2%
Federal		\$697	26.5%
Total Municipal		\$878	33.3%
Toronto	59.96%	\$526	
York Region	40.04%	\$352	
Total		\$2,634	100.0%

*includes anticipated interest income

Provincial

As part of the Ontario Budget, on March 23, 2006, the Province announced the creation of "Move Ontario", for the purpose of investing in public transit, municipal roads and bridges, including allocation of \$670 million for the TYSSE Project. These funds were deposited into the Move Ontario Trust created for the purpose of funding the TYSSE Project. In December 2007, the Province contributed an additional \$200 million to the Trust.

The Move Ontario Trustees are the City's Deputy City Manager & Chief Financial Officer, York Region's Commissioner of Finance and Treasurer, and the Provincial Deputy Minister of Transportation.

Federal

At its September 2006 meeting, City Council adopted the recommendations of the Policy and Finance Committee Report No 7, Clause 35, as amended, which set various conditions precedent to proceeding with the TYSSE Project, including receiving a federal funding commitment. The report is available at:
www.toronto.ca/legdocs/2006/agendas/council/cc060925/pof7rpt/cl035.pdf.

In March 2007, the federal government pledged \$697 million towards eligible project costs providing an up-front payment of \$75 million, attributed under the Public Transit Capital Trust, which was deposited into the Move Ontario Trust.

The remaining amount of up to \$622 million is to be received over the life of the project through the Building Canada Fund. A contribution agreement between the federal government, the City, and York Region sets the terms and conditions associated with receiving the federal funding. At its June 2008 meeting, City Council adopted the recommendations of report EX 21.8, authorizing senior staff to negotiate and execute the federal contribution agreement on certain terms and conditions. The report is available at: www.toronto.ca/legdocs/mmis/2008/ex/reports/2008-06-03-ex21-cr.pdf.

Municipal

In adopting the recommendations of the Policy and Finance Committee Report No 7, Clause 35, (September 2006), as amended, Council also authorized senior staff to negotiate and execute a capital cost allocation agreement in relation to the TYSSE Project on behalf of the City with York Region. The report is available at: www.toronto.ca/legdocs/mmis/2008/ex/reports/2008-06-03-ex21-cr.pdf.

Key agreement terms and conditions include:

- i. a municipal capital cost allocation of 59.96% City / 40.04% York Region, which was determined based on a recognition of geographical boundaries and a sharing of common costs; and
- ii. a one-time payment by York Region to the City of \$29.98 million in recognition of investments previously made by the City in the subway system which benefit the extension. In return for this payment, the City agreed to continue to maintain the existing system in a state of good repair without levying an associated depreciation charge against York Region.

Finally, at its May 2007 meeting, City Council adopted the recommendations of report EX8.5, as amended, authorizing senior staff to negotiate and execute an Operating Memorandum of Understanding on behalf of the City and TTC, with York Region. The report is available at: www.toronto.ca/legdocs/mmis/2007/ex/reports/2007-04-30-ex08-cr.pdf.

Key agreement terms and conditions include:

- i. TTC ownership of, and responsibility for, the subway extension infrastructure, its operations, maintenance, and regulation;
- ii. continued funding participation of York Region for TYSSE capital costs; and
- iii. TTC/City assumes full responsibility for operating and maintenance costs, all future capital maintenance costs, along with the risk of revenue realization.

Implications

TYSSE is a unique interregional project requiring the cooperation of the City and York Region, and of the federal and provincial funding partners. Therefore, both municipalities agreed on the following project delivery and governance structure:

- the TTC is the TYSSE Project Manager; and
- the "Executive Task Force" was formed to perform a project oversight function, in order to ensure project delivery in accordance with the instructions of both municipal Councils. Membership includes 3 senior staff members from each municipality, with the Chair rotating between municipalities.

More detailed information regarding the governance structure may be found in Report EX 8.5, City Council, May 2007.

www.toronto.ca/legdocs/mmis/2007/ex/reports/2007-04-30-ex08-cr.pdf

Current Status and Next Steps

To date, early construction on the TYSSE Project has commenced, involving the following key works:

- i. construction is underway on the Wilson Yard connection;
- ii. delivery of the required 4 Tunnel Boring Machines is anticipated within a few months;
- iii. construction on the northern, and southern tunnel launch shafts is nearing completion; and
- iv. tunnelling is anticipated to commence in early 2011.

Staff will continue to report back to City Council on the TYSSE Project as required.

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Walking Strategy

Issue

The Walking Strategy consists of 52 steps to make Toronto a great walking city and to build a physical and cultural environment that supports and encourages walking. Safe and attractive pedestrian infrastructure is strongly linked to personal and community health and safety, economic prosperity and environmental sustainability. Transportation Services works closely with other Divisions, as well as private and public partners to implement the Strategy.

Background

The Walking Strategy was adopted by Council in May 2009. Progress has been made in the following areas:

- Introduction of two pilot pedestrian zones at Ryerson University and the University of Toronto
- Launch of a yearly Walking Forum, jointly sponsored with the Design Industry Advisory Committee
- Creation of a walkability audit tool
- Creation of a searchable "Toronto Walks" database; introduction of three new walks; and a program to encourage Torontonians to create their own favourite walks for others to enjoy
- Car-free event on St. Clair Avenue West and continued support for pedestrian events and street closures in other neighbourhoods
- Pedometer lending program being extended to all Toronto libraries
- Development of a Complete Streets approach which guarantees accessibility to all road users
- New safety measures such as leading pedestrian interval, right turn on red restrictions, pedestrian "scrambles" and enhanced pedestrian crossing times at intersections
- New zebra striping at 300 intersections and crosswalks
- Reduced trip hazards through the introduction of sidewalk "shaving" technology for 4,500 bays
- Adding missing sidewalks and new TTC stop sidewalk extensions

Implications

Approximately 27.4% of Toronto's land area is road and public right-of-way (5,600 km of streets) while 18.1% is park, ravine or valley. The pedestrian must be considered at the top of our transportation hierarchy because they

are the most vulnerable. It is the least expensive mode of transport and every trip involves some form of walking. This approach changes how we look at our streets - as places and not just corridors.

As Toronto's population ages, there is a greater need to ensure that our road network is designed to be fully accessible and also promotes active transportation. On an annual average, there are between 50,000 and 55,000 total collisions per year in the City of Toronto, of which 2,000 to 2,300 involve pedestrians. Between 25 and 30 pedestrians die as a result, and seniors are more likely to die of their injuries than any other group of pedestrians.

The ability to meet sustainable transportation goals is dependent on the development of enhanced pedestrian networks and better linkages with public transit. While pedestrian networks in the core of the city are well-developed, the suburban land use and transportation networks do not promote safe, convenient or pleasant walking trips as readily. Improved walkability reduces per capita vehicle kilometres traveled and green house gas emissions.

Enhanced walking infrastructure – safer pedestrian crossings, better linkages to ravines, parks and the waterfront, better quality sidewalks and seating, and mixed use neighbourhoods are linked to key public health goals. Higher physical activity levels (especially among children and teenagers) and lower disease incidence (obesity, diabetes, cardiovascular and respiratory events) are closely associated with higher walkability scores.

Investments in the public realm and walkability pays off – higher retail rents and residential property values generate higher property taxes. They also encourage a sense of pride and ownership that enhance safety and livability.

Current Status and Next Steps

- Evaluation of pilot pedestrian projects and consideration of requests from other partners for additional pedestrian areas
- Providing input on Environmental Assessments, TTC projects, development proposals and reconstruction projects to ensure that pedestrian infrastructure is enhanced
- Participation on Tower Renewal and Priority Neighbourhoods projects, work with local BIAs, neighbourhoods and partners on pedestrian enhancements
- Updating of the Traffic Impact Studies to promote more active transportation around private development

- Introduction of a Complete Streets Policy and development of enhanced streetscape manual from building face to building face
- Introduction of Missing Sidewalk allocation policy and inventory
- Revision of street closure supports for non-profits and residents
- Introduction of Kensington Market Pilot Project for timed pedestrian closures
- Development of wayfinding strategy for the City, including Economic Development & Culture, City Planning, BIAs & Heritage Districts, Tourism Toronto, TTC & Metrolinx and the Province
- Studies on parks and public realm strategy in Lawrence-Allen; downtown transportation plan
- Work with Pan Am Games venues on public realm enhancements and transportation plans
- Work on a system of pedestrian scale lighting

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Cycling Infrastructure and Programs

Issue

The Toronto Bike Plan, adopted by City Council in July 2001, sets out a ten-year strategy (2002-2011) for improving cycling conditions and encouraging cycling for everyday transportation and recreation. Next year represents Year 10 of the Toronto Bike Plan.

Current Status and Next Steps

Implementation priorities for 2011 are:

- Launching BIXI Toronto, a 1,000 bicycle public bike program in May;
- Completing the downtown bikeway network, closing gaps in the system;
- Assessing the feasibility and implications of converting some of the existing downtown bicycle lanes to physically separated bicycle lanes;
- Completing the 30 km trail expansion in the Finch and Gattineau Hydro Corridors and the CN Leaside Rail Corridor;
- Opening new Bicycle Stations (secure bicycle parking facilities) at Nathan Phillips Square, Union Station and Victoria Park Subway Station; and
- Completing the Environmental Assessment study to evaluate options for a bikeway in the Bloor-Danforth corridor.

Transportation Services will complete an evaluation of the current Bike Plan by December 2010. The Bike Plan evaluation will lead to a thorough public consultation process to develop a new, updated Bike Plan for Council's consideration by the end of 2011. The new Bike Plan will set out new objectives and design options for expanding the Bikeway Network.

Implications

Although there has been general support for most of the Bike Plan programs (e.g. trails, bike parking, education and promotion programs), there is still considerable concern about the recommendations with respect to the installation of on-street bicycle lanes. Completing the Bikeway Network is by far the greatest challenge and will ultimately have the most impact on improving cycling conditions in the city. Transportation Services recognizes the need to conduct a thorough review of the Bike Plan's bikeway network objectives and to develop a new bikeway network strategy that will receive widespread support.

Background

The Bike Plan is a multi-faceted strategy involving several City Divisions and Agencies, with primary responsibilities shared by the Transportation Services, Parks, Forestry and Recreation and City Planning Divisions. Other key Toronto agencies include the Toronto Transit Commission and the Toronto Police Service.

The Bike Plan's 49 recommendations are organized into the following program areas:

- Bicycle Friendly Streets
- Bikeway Network
- Safety and Education
- Promotion
- Cycling and Transit
- Bicycle Parking
- Implementation and Monitoring

In June 2009, a report from the Transportation Services Division titled "Toronto Bike Plan: New Strategic Directions", identified six priorities for achieving the Bike Plan's goals for the period 2009 - 2011. These priorities are:

- launching a Toronto Public Bicycle System;
- expanding downtown bikeways to support the Public Bicycle System;
- accelerating construction of the Bikeway Network trails;
- expanding high-security bicycle parking facilities;
- developing a comprehensive research and evaluation program; and
- developing a new promotion and communications strategy.

Since the Bike Plan's adoption, progress has been made in implementing the Plan's recommendations in all six-program areas. Key Bike Plan achievements include:

- Expansion of the Bikeway Network (bicycle lanes, routes and trails) from 166 km to 425 km;
- Doubling of the number of post-and-ring bike racks from 7,500 to over 16,000;
- Installation of more bike parking than any other North American city;
- Installation of bike racks on buses on over 90% of TTC bus routes;
- All TTC bus routes will be equipped with bike racks by 2012;
- Bike Week expanded to Bike Month, with over 100 City and community-led events;

- Opening of Toronto’s first Bicycle Station at Union Station in May 2009;
- Award winning Kids Can-Bike Camps offered by Parks, Forestry and Recreation;
- Development and implementation of significant improvements to the Martin Goodman Waterfront Trail by Waterfront Toronto;
- Development of new bicycle parking guidelines for provision of secure bicycle parking in new developments; and
- Introduction of a new winter maintenance program for the Martin Goodman Waterfront Trail in the 2008-9 winter season.

Existing and Planned Bikeway Kilometres

Status	Bikeways Types			Total
	Bike Lanes	Shared Roadways	Off-Road Paths	
Existing	115	142	168	425*
Planned**	495	260	249	1004

**As of September 10, 2010*

***City of Toronto Bike Plan, June 2001*

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Traffic Control Systems

Issue

The City of Toronto operates 2,181 signalized intersections. Between 40 and 50 traffic signals are installed per year. Traffic signals are controlled by a number of computerized programs and systems to address specific traffic control requirements.

Background

Main Traffic Signal System (MTSS): Approximately 45% of traffic signals are operated by this original, legacy system. This system is based on a main computer located at the Traffic Management Centre that controls the individual operation of each signalized intersection.

TransSuite: About 40% of signalized intersections are currently operating with this new traffic control system. It provides more effective and responsive control of signalized intersections, extendable left turn phases, improved monitoring of signalized intersections from a central location and a seamless operation during communication loss between the Traffic Management Centre and the signalized intersection. Transportation Services has a plan to transition about 300 signalized intersections per year from MTSS to TransSuite and anticipates completion by the end of 2014.

SCOOT (Split Cycle Offset Optimization Technique): About 14% of signalized intersections are operated by this system which adapts the traffic signal timings to traffic volumes detected on the road, in response to unanticipated variations in traffic, attempting to minimize an overall system (or corridor) delay. The system is more effective in areas where significant variations in traffic can be anticipated, such as on major arterial roads, particularly those that are parallel to expressways.

Other Traffic Control Systems: A small proportion of traffic signals (about 1%) are run on a specifically required system, such as the 9 signals serving the Harbourfront LRT or a small number of signals which are on "local" control, usually associated with priority for fire stations.

RESCU (Road Emergency Services Communication Unit): This facility which is also operated by the City's Traffic Management Centre, provides monitoring of the City's expressways (Don Valley Parkway, F. Gardiner Expressway, Allen Road) to address unexpected disruptive conditions that require immediate action by emergency services or by Transportation

Services staff and equipment. The facility includes Dispatch operations as well as control of the expressways' Changeable Message Signs.

Accessible Pedestrian Signals (APS)

These signals include an audible component, to assist the visually impaired to safely cross the road at signalized intersections. All new traffic signal installations are equipped with APS features. At the end of September 2010, there were 422 APS installations throughout the city. The City receives between 10 and 15 requests for APS installations per year and as of January 2011, each request will be addressed within a 12 month period.

Current Status and Next Steps

The 2010 Operating Budget for the installation, operation and maintenance of the electrical and computerized traffic control systems, as reflected in the combined budgets of the Urban Traffic Control Systems and Traffic Plant Installation and Maintenance units is \$17.3 Million.

The 2011 capital program for traffic control systems includes the increased conversion (from 200 signals per year to 300 signals per year) of existing traffic control signals from the old Main Traffic Signal System (MTSS) to the modern TransSuite system and modernization of the Situation Room of the Traffic Management Centre to enable better monitoring of expressway and main road conditions, dispatch communications with emergency services and Transportation Services resources, as well as coordination with MTO, TTC, TRCA and other agencies.

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Winter Maintenance Services

Issue

Transportation Services has successfully developed a winter plan that standardizes winter service levels throughout the City of Toronto while still recognizing the uniqueness of the City's many communities. This note reviews activities to date in the area of winter maintenance and highlights the challenges for the future. Key winter maintenance efforts include:

- Road Salt
- Sidewalk Clearing
- Snow Removal
- Communications

Background

The application of de-icing agents is the first level of snow response on pavements. De-icing products, such as salt, are spread on roads for light snowfalls and during the initial stages of significant storms. When temperatures are not extremely cold, de-icing is the most inexpensive method of dealing with snow accumulation. When snow accumulations exceed 5 cm, ploughing operations may commence and salting operations modified.

Road Salt

Transportation Services is committed to the principles of reducing salt use while maintaining safe road conditions. In fact, Transportation Services has emerged as a recognized international leader in salt management. In 2001, the City of Toronto became the first major municipality to develop a Salt Management Plan and has been working with Environment Canada as part of a multi-stakeholder working group.

Since there are no cost effective alternatives to road salt at this time, new technology has been introduced to allow vehicle operators to apply just the right amount of salt to the roadway surface in order to achieve effective de-icing. This new technology involves requiring all salt trucks to be equipped with electronic salt spreader controllers which monitor, control and verify salt application rates on their specified routes. In addition, pre-wetting technology has been introduced which allows salt truck operators to apply a brine solution to the coarse rock salt immediately prior to spreading on the road network. This application of salt brine causes faster de-icing, thereby

potentially reducing the volume of rock salt required to achieve safe conditions by as much as 15%.

Another method of de-icing involves the application of a salt brine solution directly to the pavement surface in advance of a storm. After drying, the salt brine turns into a fine powdery residue that immediately reverts to salt brine during any precipitation and prevents the formation of an ice/roadway bond. This technique is called direct liquid application (or anti-icing). Our experience over the last few winter seasons has confirmed that this is an effective de-icing practice.

Sidewalk Clearing

Toronto has a high level of service in providing mechanical sidewalk clearing on most city streets, except for the inner areas where it is not feasible. In general, mechanical clearing is not feasible in areas with streets less than 8 metres wide, with sidewalks less than 1.5 metres wide, with sidewalks adjacent to the street, with long-term parking adjacent to the sidewalk or with boulevards having obstructions like utility poles, planters or retaining walls adjacent to or within the sidewalk.

It typically takes about 15 hours to complete one round of de-icing and/or ploughing on sidewalks using mechanical means. For storms where snow accumulations exceed 8 centimetres, or wherever road ploughing operations result in the clearing of windrows at bus stops, a minimum of two rounds of de-icing/clearing is required to return the sidewalk to normal winter conditions.

Transportation Services currently opens driveway windrows, where mechanically possible, on all classifications of roads in the City of Toronto for residential single-family properties.

The goal of the service is to open the windrow to the extent that a car may pass safely (i.e., to a width of about 3 metres). The program does not clear snow down to the pavement surface or across the entire driveway width. This is intended to minimize damage to driveways and adjacent boulevards.

The current level of service for the driveway windrow program is to open residential driveways only whenever roadway ploughing operations are mobilized. This occurs at 5 centimetres of snow accumulation on arterial and collector roads, and at 8 centimetres of snow accumulation on local roads. As a result of parked vehicles, driveway windrows are not opened in those areas of the City with long-term on-street parking. Narrow streets

(less than 8.5 metres wide) and boulevards with limited snow storage space also prevent the service from being provided to residents in those locations.

Snow Removal

After a heavy snowfall or series of significant storms, it may be necessary to remove snow from City streets to maintain safe, passable roadways.

Transportation Services has developed a comprehensive snow removal plan that coordinates snow removal operations across the City. The type of operation activated will depend upon snowfall accumulation. For example, a major snowfall exceeding 30+cm may result in activating a full-blown snow removal operation across the City. It is generally at this level when ploughed windrows become a safety concern as transit and emergency vehicle access is very constrained and the local streets approach impassable conditions. Under these circumstances, the only solution is the removal or onsite melting of the snow (i.e. loading the massive piles and hauling to dump sites).

Communications

Immediately prior to the winter season, Transportation Services staff in each District will hand deliver to each Councillor a Winter Information Binder. The binder includes summary information on our winter services, contact numbers for the staff in each District, and road classification maps to assist in understanding what levels of service are provided to streets in each Ward.

Each of the Transportation Services' Districts presently operates a Winter Communication Centre during all snow events that require the mobilization of road or sidewalk ploughs. The purpose of the communication centre is two-fold; to have one central number through which Councillors and their staff can get access to a member of the District management team, and to prepare and distribute the Snow Advisory. The Snow Advisory is distributed every three to four hours during a snow event and provides up to date information on the status of all activities in the District. This information is invaluable to Councillors and their staff when responding to constituent inquiries.

Snow Advisory information is also available to residents by calling 3-1-1 as customer service staff in the 3-1-1 call centre are copied on all Snow Advisories. Residents can learn more about Transportation Services' winter operations by visiting the winter maintenance internet site at www.toronto.ca/transportation/snow/index.htm.

Implications

To date, the City has implemented a comprehensive snow removal plan that coordinates snow removal operations across the City. The type of operation activated will depend upon snowfall accumulation. The Plan has worked well in response to heavy snowfall or a significant storm, where snow removal is required in all parts of the city. The Plan has been less effective in response to less significant snow episodes, where the snow fall is uneven across the city. Staff are reviewing to the City's snow removal plan to ensure that in these instances snow removal resources are focused on those areas that need it in order to maintain safe and passable roadways, including emergency snow routes, key transit corridors, high collision intersections, high pedestrian areas, bridges, bicycle lanes, some local roads with on-street permit parking that may become impassable, and expressways.

In addition, the City is building its snow disposal capacity. In 2003, Council approved a Snow Disposal Feasibility Study that recommended that snow disposal be recognized as an essential activity and that the City should pursue the acquisition of portable snow melters. A 350 tonne per hour portable melter was purchased in 2005 and two 130 tonne per hour melters have been purchased in 2010. Staff continue to identify and acquire locations at which to site snow melters.

Current Status and Next Steps

Staff will continue to review the City's winter plan, including snow removal strategies, and snow disposal locations.

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Place-based Initiatives and Neighbourhood Action

Issue

Place-based approaches to strengthening neighbourhoods, with a focus on integrated service planning and delivery at the local level.

Current Status and Next Steps

This collaborative approach leveraged the City's initial \$13M investment through the Partnership Opportunities Fund to create a total investment value of \$37.7M with other government and community funders. For every dollar the City invested, the City has leveraged approximately \$1.90 for 27 resident-identified capital facilities.

To support Neighbourhood Action and associated place-based approaches, the City has been working with other governments and community partners such as the Toronto City Summit Alliance, United Way, and the Toronto Community Foundation, to strengthen our ability to identify areas in the city that can benefit from a range of service investments.

In January 2010, City Council adopted the Community Partnership Strategy (CPS) to help the City assess and monitor the strength of community-based service providers in neighbourhoods. The CPS and the newly developed Neighbourhood Well-Being Indices (NWI) will inform the City on how well the model meets the needs of residents across the city. CPS and NWI will also allow the City to anticipate areas in need of coordinated investment. Staff will be reporting out to Council on these initiatives in spring 2011.

Background/Implications

Some of Toronto's neighbourhoods are struggling with the challenges associated with persistent poverty, high unemployment, the settlement of high numbers of newcomers, and incidences of violence. Historic underinvestment in local programs and facilities and the fragmentation of service delivery have left these neighbourhoods ill-equipped to address the social and economic challenges they face.

In 2005, building on consensus established among multiple orders of government to employ a place-based approach, the Strong Neighbourhood Task Force created a methodology for identifying priority areas for new investment in Toronto. Using this methodology, staff analyzed infrastructure

levels and demographic need indicators and identified areas of the city requiring attention.

City Council identified 13 priority neighbourhood areas in need of coordinated investment to strengthen local human service systems. Both federal and provincial governments recognized these priority areas and aligned their investments through the City's Neighbourhood Action Partnerships at the neighbourhood level.

Neighbourhood Action brings together community partners, school boards, residents, funders, the private sector, other governments and City Divisions to coordinate and maximize investment in neighbourhood programs and services. Neighbourhood Action integrates government and community-based service planning and delivery, to avoid fragmented service delivery and respond directly to local needs.

Increasingly other orders of government are relying on Neighbourhood Action Partnerships as an important local coordinating structure for place-based service planning and delivery. Federally, Citizenship and Immigration is working through the Neighbourhood Action Partnerships to support Local Immigration Planning in neighbourhoods. Provincially, the Ministry of Training, Colleges, and Universities is working through Neighbourhood Action in five priority neighbourhoods to achieve Local Labour Market Planning.

The Investing in Families (IIF) program brings together employment, health, child care and recreational services for single-parent families receiving Ontario Works benefits, in one coordinated service model through the collaboration of Toronto Employment and Social Services, Toronto Public Health, Children's Services, and Parks, Forestry and Recreation. IIF was piloted in one priority area, Jane-Finch, and is expanding to other under-resourced neighbourhoods across the city.

Also using the Neighbourhood Action coordinating structure, four City divisions and two City agencies, Toronto Public Library and Toronto Community Housing, have integrated local resident planning into capital processes to create new or enhanced community facilities in priority areas.

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Community Service Hubs

Issue

Since 2006, all orders of government and key funders have identified community service hubs as a critical place-based strategy to deliver services and programs more efficiently and effectively to local residents. Differing governmental approval processes and the lack of affordable facilities and long-term sustainable funding continue to challenge the development of new community hubs. Acquiring surplus school properties has been one way in which the City is addressing the need for new facilities in which to deliver community services.

Background

Over the years, Toronto has developed a mature, shared human service system, combining municipal service delivery with community-based service provision. The City depends on the community-based sector to achieve its service and strategic goals. Consequently, the City has a significant interest in providing a range of supports—including leasing City space—to community service organizations to ensure their viability.

Mandate alignment among the various orders of government and key funders has enabled significant investment in meeting the needs of local residents through community service hubs. Both government and non-government funders are pursuing community hubs as a more cost-efficient and effective model to deliver programs and services for residents facing multiple barriers to access and opportunity.

The Ministry of Education's Facility Partnership Guidelines, the Pascal Report on early learning, Employment Ontario's Full Suite of Services Strategy, and Citizenship and Immigration Canada's Modernization Strategy, are among current government policy frameworks encouraging the co-location of community services and programs as a place-based, client-centred service model.

Among funders, the United Way of Toronto and the Ontario Trillium Foundation have also amended both capital and operating funding approaches to support community-based co-location.

The City of Toronto creates affordable space for community agencies within City-owned facilities using the Provision of City Space at Below Market Rent Policy. The City also helps its partner agencies and institutions navigate funding and regulatory systems, and works with other orders of government

to maximize funding and programs supporting place-based initiatives and has used its own resources to support the creation of multi-service hubs.

Community hubs, whether multi-service, sector specific or population-focussed, are now commonly understood to support program coordination and integrated planning and service delivery at a local level. They use existing community assets and service infrastructure to create accessible and affordable space, programs and supports which vulnerable residents can access in one location. Hubs are also proving to be cost-effective because they enable some “back office” sharing of resources among organizations.

Schools that are no longer needed for educational purposes are ideally suited to serve as community hubs. In the past the City has been at a disadvantage in obtaining surplus school properties. Regulation 444/98 of the *Education Act* which governs their sale prescribes very short-turnaround times once notices of disposal have been issued. In addition there is the regulatory requirement to seek market value rather than the value indicated by current use of the properties. As a result the City has had limited ability to keep some key tax funded properties in the public domain.

Implications

In 2009, the City purchased the former Father Henry Carr School from the Toronto Catholic District School Board (TCDSB) for the creation of the Rexdale Multi-Service Community Hub in partnership with the United Way, the Ministry of Health, and the Federal and Provincial governments through their Infrastructure Stimulus Funds.

The City has acquired school lands for other purposes as well, including for use as child care centres and as green space. Since the creation in 2008 of the Toronto Lands Corporation (TLC) as a subsidiary corporation of the Toronto District School Board (TDSB), the City of Toronto has acquired eight properties from the TDSB to be used for various City purposes:

1. 432 Horner Avenue (Parks, Forestry and Recreation)
2. 819 Sheppard Ave W (Parks, Forestry and Recreation)
3. 3495 Lakeshore Blvd. W. (Children’s Services)
4. 11 St Annes Road (Toronto Police Service)
5. 2054 Davenport Road (Toronto Police Service)
6. 7 Edithvale Drive (Parks, Forestry and Recreation land exchange)
7. 201 Chester Le Blvd (Parks, Forestry and Recreation land exchange)
8. 80 Lothian Avenue (Parks, Forestry and Recreation)

In addition, the former Shaw Public School was acquired by Artscape in 2010.

In May 2010, City Council approved the School Lands Acquisition Framework and Funding Strategy as a coherent and coordinated approach to the acquisition of school properties. Council authorized funding from the Land Acquisition Reserve Fund (LARF) in the amount of \$7 million, \$5 million and \$3 million in each of the years 2011, 2012 and 2013 respectively to help fund future school land acquisitions. The report laid out the process by which corporate acquisition priorities would be identified. Among the key acquisition criteria is potential use as a community hub.

In August 2010, Council approved negotiating the purchase of Timothy Eaton Business and Technical Institute, a surplus TDSB school, for the creation of the Steeles-L'Amoreaux Multi-Service Community Hub.

Current Status and Next Steps

According to the "Overview of Community Hubs in Toronto," a recent report commissioned by the Intergovernmental Committee of Economic and Labour Force Development, there are approximately 30 community hub initiatives underway in Toronto.

At its August 2010 meeting, City Council enacted a new, single, city-wide zoning bylaw. A next step in implementing the new harmonized zoning bylaw is for City staff to better understand the zoning needs for community hubs, especially those created in surplus school sites.

As more school properties become available, the City is well positioned to move more quickly in requesting Council approval for the purchase of properties that are identified as corporate priorities. City staff continue to build strong relationships with four school boards (TDSB, TCDSB, French Public, French Catholic), the Ministry of Education as well as with the TLC.

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Prevention and Intervention Toronto – Pilot Project

Issue

The City of Toronto is managing an innovative pilot project designed to reduce youth gang involvement in three priority neighbourhood areas.

Background/Implications

The City is committed to working with a wide range of community, institutional and governmental partners to develop innovative programs to address the issues faced by the 13 priority neighbourhoods. One of these programs is the comprehensive, evidence-based, community-oriented youth gang prevention program, Prevention and Intervention Toronto (PIT).

The overall goal of PIT is to reduce the proliferation of gangs in three priority areas running along the Jane Street corridor: Jane and Finch, Jamestown (Rexdale) and Weston-Mount Dennis. Funded by the National Crime Prevention Centre and delivered by JVS Toronto, the pilot project focuses on gang-involved youth and youth at risk of gang attachment/affiliation between the ages of 13 and 24. The project will have three consecutive intake streams of 100 participants each over the duration of the pilot project.

The PIT project provides:

- An outreach and referral process that strongly links to the existing community services and resources most likely to reach the hardest to serve youth: those who are gang-involved and at-risk of being gang involved.
- A finely-tuned intake process that uses known risk and prevention factors to apply an in-depth needs assessment of individual youth participants.
- Individual case management plans for project participants based on their assessed risk and preventative factors.
- Intensive, group-based training opportunities that support the development of pro-social skills for youth.
- Practical supports for the families of youth participants that assist them in reducing risk factors and implementing preventative factors into their family unit.
- Broader community education, engagement and research activities that increase awareness about gangs and gang prevention.

The City has entered into an agreement with the University of Toronto Centre of Criminology to evaluate the PIT program.

As part of PIT a small group of young people, known as The League, are working with staff to generate ideas around related key policy issues, including:

1. Police Reference Checks
 - Determining gaps in the reference check process and its impact on youth seeking employment.
 - Identifying recommendations to other organizations involved in conducting or processing reference checks, e.g., the Toronto Police Service and employers.
2. Services for Persons in Remand
 - Examining how services and supports for incarcerated youth and young adults held in remand custody can be better coordinated.

In addition to providing critical supports to participating youth, the project has the potential to provide valuable learnings and models for future gang intervention and prevention work.

Current Status and Next Steps

To date, 100 youth have participated in the PIT intervention process. The first graduation took place on August 26, 2010 when 80 young people completed the program. Phase 2 of the program began in September 2010.

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Community Crisis Response Program

Issue

In the aftermath of violent and traumatic incidents, community residents often need supports in dealing with fear, anger and grief. The City's Community Crisis Response Program (CCRP) works on the ground across the city to ensure that residents have the supports they need to cope in these circumstances.

Background

After a crisis situation people often experience trauma. Impacts may extend well beyond the victim to the wider community. In such situations residents benefit from a process that offers clear direction and support, but often they are unaware of the range of the support services available and how those services can be accessed. CCRP, a collaborative program between the City and community partners, has developed a set of strategies and mechanisms that integrate the provision of support services to local communities in the aftermath of traumatic incidents, such as a shooting or stabbing, or when there has been a significant police intervention in the area.

By providing immediate supports, the CCRP mobilizes local resources to address individual and group needs, coordinates community debriefings and facilitates information sharing. Long-term supports offered by the program include establishing training and education sessions, facilitating community safety audits, developing collaborative community crisis response protocols and fostering the development of innovative community safety projects.

While processing the impact of incidents residents share information, ideas and concerns about many aspects of their community. This unique form of resident engagement allows CCRP and community partners to shape service responses that meet residents' specific needs.

In 2009, CCRP provided crisis intervention support to the following criminal incidents: 95 shootings, 60 stabbings, 17 swarmings, 1 domestic homicide, 35 beatings, and 25 other.

Implications

The success of the CCRP relies on building relationships in each community and developing safety initiatives and resident-led localized crisis response solutions. This is a highly labour intensive exercise.

In addition, the lack of effective partnerships with other municipalities is a growing concern. CCRP regularly encounters issues that cross municipal boundaries, specifically in the areas of police relations and communications, housing and support for young people. As other municipalities grow and the number of common issues increase there will be a ripple effect when incidents happen in the City or outside.

Current Status and Next Steps

The CCRP continues to work across the City of Toronto in partnership with community members, agencies and internal City divisions to enhance community safety by offering support to community-led development of safety networks that focus on crisis intervention, crisis prevention and crisis preparation.

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Toronto Newcomer Initiative

Issue

With a complex and vibrant economy, Toronto is highly dependant on newcomers to meet the needs of the labour market. The future success of Toronto will be largely determined by how successfully it includes its newest residents in the life of the city.

The City of Toronto and Citizenship and Immigration (CIC) have joined together to pilot research and programs designed to explore how Toronto can better support the economic and social integration of newcomers to our city.

Background

Toronto remains one of the world's most ethno-racially diverse cities and continues to be a primary destination for immigrants to Canada. In 2001, one-half of Toronto residents were foreign born. From 2000-2005 the city received an additional 449,883 immigrants. This reflects an average of nearly 75,000 newcomers arriving in Toronto each year. Over this period, Toronto accommodated 32% of all new immigrants to Canada, 56% of immigrants to Ontario and 68% of immigrants to the Toronto Metropolitan Area.

Several reports indicate that despite being better educated, new immigrants to Canada are earning less compared to Canadian-born workers than they did a quarter-century ago. Research suggests new immigrants find it harder to get jobs in their professional fields, and even when they do, those jobs can be precarious. As a result, new immigrants can be found working in low-skilled jobs almost three times more often than Canadian-born graduates, even though immigrants are more likely to have university degrees than 25 years ago. The earnings gap between recent immigrants and Canadian-born is actually larger among those with post-secondary education – so large that recent immigrants with a degree earn less than Canadian-born citizens without one. (Globe and Mail, 2009)

The Toronto Newcomer Initiative (TNI) is a time-limited project funded by Citizenship and Immigration Canada (CIC). The goal is to explore new opportunities for the City of Toronto to advance the social and economic inclusion of immigrants to the city.

TNI includes five different activity streams within two broad objectives:

Objective 1: Enhance City Service Systems directly or in partnership

Activities include:

- Settlement Workers in City Facilities (service delivery contracted to a successful Proponent/Vendor selected through an RFP process); collaboration between Toronto Public Health, Parks, Forestry and Recreations and Children's Services.
- Enhanced recreational and other programming targeted for newcomers, led by Parks, Forestry and Recreation
- Supporting family reunification and adaptation (known as the RAP program), led by Toronto Public Health

Objective 2: Enhance the Broader Service System through Research and Coordination

Activities include:

- Research on Neighbourhood Well-Being (including service mapping) and Newcomer Health; led by Social Development, Finance & Administration and Toronto Public Health respectively
- The creation of a City-Wide Local Immigration Partnership Table consisting of community partners, federal and provincial ministries, private sector and other institutional partners to support the development of a City of Toronto Newcomer Strategy; led by Social Development, Finance and Administration

The overall Toronto Newcomer Initiative is being managed by the Social Development, Finance and Administration (SDFA) Division and overseen by the Senior City Employment Services Steering Committee.

TNI is funded and governed by two contribution agreements the City has entered into with CIC totaling \$3,078,488; net zero to the City.

Implications

As immigrants continue to settle in Toronto and surrounding areas, the City of Toronto's leadership around social and economic inclusion for this group will be a key to the success of the region's economic development. The Toronto Newcomer Initiative will explore a sustainable model for integrated service and system development to support the settlement and integration of newcomers to the City.

TNI is a time-limited project with a projected end date of March 31, 2011. There is no on-going or core funding associated with this project.

Current Status and Next Steps

Significant progress has occurred on all five activity streams related to the project:

- A Project Manager has been hired to oversee the work to ensure timelines and budgets are met, and the overall project work is coordinated. Hiring is also complete for other salaried positions funded by this initiative including those overseeing the RAP program and Enhanced Recreational Programming.
- A successful proponent/vendor has been selected from an RFP process to deliver Settlement Services in City facilities. A second proponent/vendor who will deliver the Reunification and Adaptation (RAP) program will be selected imminently. Program delivery for both is expected to begin in October 2010.
- Two further RFPs associated with the research component of the project have been issued and screening and selection is expected to occur in upcoming weeks.

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Community Partnership and Investment Program (CPIP)

Issue

A strong, stable community-based sector plays an essential role in a mixed delivery system of City services. While the City directly delivers many key services, many are also delivered in partnership with community-based agencies resulting in efficiencies for both. These partnerships support a wide-range of services including snow shoveling for seniors, after-school programs for youth, AIDS prevention and employment training.

Background/Implications

The Community Partnership and Investment Program (CPIP) supports Council's social, cultural, housing, health, employment, recreation, economic and neighbourhood improvement goals by supporting a city-wide network of community agencies.

CPIP provides three types of financial support:

- partnership funding to provide ongoing support to specific programs (not projects) to sustain capacity and meet ongoing service demand;
- investment funding to provide short-term project funding for activities with clearly articulated deliverables and to assist in leveraging additional resources; and
- administration funding to provide accounting, auditing and other financial services to ensure effective financial analysis and transparency.

With an approved program budget of \$45.230 million in 2009, CPIP:

- funded 2,250 projects, and together these projects engaged 876 organizations and served over 4.7 million individuals;
- increased civic participation with over 96,000 volunteers engaged in funded projects and contributed over 1.4 million volunteer hours; and,
- piloted an online application process through the Corporate Grants Information System (CGIS) for the Community Service Partnership Program (CSP).

In spite of this return on investment the CPIP funding envelope leaves Toronto lagging behind other Canadian municipalities in per capita investments in critical community supports. For example, in 2008 Toronto invested \$4.20 per capita whereas Vancouver and Montreal invested \$5.97 and \$6.61 respectively.

Current Status and Next Steps

The CPIP program supports a wide range of services to residents, the value of which is leveraged by other community partners, other orders of government and funders to maximize City investment while ensuring full accountability and transparency.

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Toronto Public Library: Access to Technology and Online Services**Issue**

The library fulfills a critical role in ensuring that access to up-to-date technology and e-resources are available to all - through the library's website, by providing access to over 1,600 public computers with internet access and associated bandwidth, extensive staff support and public training sessions and the provision of wireless services in all 99 library branches. This access to technology, the Internet and e-resources is critical to full participation in social, economic and community life.

Background

The library is currently focused on a multiyear renewal project for Virtual Branch services to respond to customer needs and expectations for online library services. Through extensive consultation and usability processes the Library established priorities for the renewal of web resources. Library users expect a seamless experience online that integrates the Library's catalogue into the library's website, helps customers to manage their account and make full use of all the Library has to offer.

In 2010 a new website was launched. This new website presents the catalogue alongside the recommended links, blogs and other librarian created web resources, local branch and program information and digitized special collections. On September 7th, the new website received over 85,000 visits, so far its busiest day, and traffic will grow during the busy fall and school season. In the first month after the launch the new website received over 600K unique visitors.

Access to information has long been regarded as fundamental to democracy. In order to uphold this, libraries need to continue to provide access regardless of the delivery mechanism. The last few years has seen phenomenal growth in the use of e-books and digital reading alongside the increased use of the traditional book. Through the website, readers are able to access e-books, electronic databases and digitized materials remotely 24/7.

In 2009:

- 23,393,920 Virtual visits, an increase of 13% over 2008;
- E-book collections continued to grow in popularity. Downloadable e-content circulation increased 88% over 2008; and
- Visits to subscription web databases increased by 16% over 2008.

Implications

Future priorities include the introduction of online self-service technology for registration and fine payment and the renewal of the children and youth websites.

Virtual branch e-services are designed to meet the public demand for a website that matches customer experiences on other websites. The internet keeps changing and it is essential to be reflective of this environment by integrating social networking and multi-media within the Library's website.

As the book world goes digital, e-books hold the promise of delivering just-in-time content to readers in a barrier-free format of choice and it is essential that the library have a strong online presence to provide access to these resources for library users.

Current Status and Next Steps

The new website has laid the foundation for the next phase of developments including:

- Providing self-service options including online registration and fine payment;
- Adapting the site content for easy-to-use mobile device options;
- Enabling open data access to the Library's materials, branches and programs;
- Providing access to digital collections and virtual exhibits;
- Continued integration of social media and multimedia formats and associated support for users to view, listen and adapt content; and
- Migration of infrastructure and user interfaces of older sites including the children and youth sites to the new flexible platform.

The project continues to focus on the seamless integration of online resources such as e-books and electronic collections into the experience. It is vital that the Library be up-to-date and online in order to ensure the continued vitality of library service in Toronto.

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Emergency Medical Services (EMS) Offload Nurse Program

Issue

Extended wait times for transfer of care of EMS patients in hospitals remains a significant issue for Toronto EMS. Since 2008, the Ministry of Health and Long-Term Care (MOHLTC) has funded a program that provides dedicated nurses to accept care of patients brought to hospital by paramedics.

Background

Toronto EMS has reported regularly to Council on the impact of offload delays in hospitals since 2000. Until 2008, despite the best efforts of Toronto EMS and their hospital partners, the length of time that paramedics spent waiting for the hospital to accept care of their patients continued to increase. From January 2006 to April 2008, the average in-hospital time increased from 53.4 minutes to 69.6 minutes. This increase had serious negative effects on overtime costs, costs for missed paramedic meal breaks and on staff morale. These waits also reduce ambulance availability and contribute to longer response times.

Faced with this ongoing problem and with input from EMS Chief Bruce Farr and the Expert Panel on Emergency Department (ED) Wait Times, the MOHLTC introduced the Offload Nurse Program in August 2008. The program provides year-to-year funding to EMS operators to pay hospitals for nurses that have the sole responsibility of accepting care of EMS patients. This program was originally offered to 13 municipalities and has now expanded to 15. For fiscal 2008-09, Toronto EMS received \$1.625 million, which increased to about \$1.8 million for fiscal 2009-10, and \$3.4 million for fiscal 2010-11.

This Program has generally been regarded as a success. There are now dedicated offload nurses in every ED in Toronto, except for Sick Kids Hospital. The Program has helped to reduce ED wait times for paramedics significantly. In August 2010, the average in-hospital time for paramedics was 44.6 minutes – a reduction of 25 minutes per patient compared to April of 2008. For the four weeks ending on September 12, 2010, the reduced wait for transfer of care returned about 135 unit hours of ambulance availability every day. The ED Director for a Toronto hospital recently said “The hospitals have tried a lot of things to reduce ambulance wait times. The only thing that has had any effect is the Offload Nurse Program.”

Implications

The funding for this program is provided on a year-by-year grant basis. The MOHLTC has committed through fiscal 2010-11 but has made no assurances beyond March 31 2011.

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Bed Bugs

Issue

All current evidence indicates that bed bug infestations are rapidly increasing in Toronto and in other municipalities throughout Ontario. Toronto Public Health reports that they have received a 44 fold increase in requests for services related to bed bugs over a five-year period. Bed bugs cross all social and economic divides and are particularly problematic in shared living facilities and multi-unit residential building where infestations can spread rapidly.

Bed bugs cause negative physical, social and mental health impacts and are detrimental to individual health and well being and housing stability. These impacts are particularly severe for the most vulnerable members of our community, including individuals and families with low incomes, those with mobility issues including physical conditions due to age, and those with mental health issues or addiction issues.

Current Status and Next Steps

In June 2010 The City of Toronto submitted a Bed Bug Business Case to the Ministry of Health and Long-Term Care (MOHLTC) requesting five-year funding to invest in solutions and best practices to curb the spread of and better manage bed bug infestations.

The proposal calls for resources to be targeted at Toronto's most vulnerable communities to assist them with addressing infestations. Strategic investments to assist these populations will have a widespread effect in curtailing the recurring cycle of infestation in multi-residential housing settings and curb the spread of bed bugs within the community.

While a commitment for funding has not been forthcoming, the City continues to work with the Province with a view to creating partnerships that create a more sustainable long-term approach to dealing with bed bugs.

Implications

Bed bugs affect communities in a number of ways. Not only do they impact on the personal well-being and health of individuals but they also impact neighbourhood and community services and the business and tourism sectors.

For the average able bodied person with a bed bug problem, the enhanced Toronto Public Health Bed Bug web site provides all necessary information to assist individuals deal with infestations. However, this is not the case for the City's most vulnerable populations, including the frail elderly, those individuals living with mental health and physical challenges, those individuals living in severe poverty and those living with addictions. These groups do not have the resources or capacity to deal with bed bug infestation on their own and as a result are often subject to extensive infestations that spread to other parts of multi-occupancy buildings and the community at large.

Background

Quantifying the scope of the bed bug problem in Toronto is difficult due to a lack of comprehensive and reliable data. Most bed bug infestations remain unreported and untreated, as a lack of knowledge, lack of capacity, lack of funds, social stigma and shame continue to be barriers for many individuals and families in addressing the problem. However, the problem is significant and growing as evidenced by the following:

- In 2004, when Public Health began collecting data on requests for service related to bed bug infestations, the number of requests for service was 197. In 2007, it was 632, and in 2008, it was 1,326. In 2009 Toronto Public Health responded to 1,561 requests for service.
- In 2009, Toronto Community Housing Corporation recorded 2,089 requests for bed bug treatments.
- Since posting a questionnaire on the Toronto Public Health Bed Bug website nine months ago, 961 viewers have responded and 70% have indicated that they were dealing with a bed bug infestation.
- A 2009 WoodGreen Community Services study of the bed bug problem in Habitat funded rooming houses found that:
 - A small study of pest control companies in 2007 indicated that bed bug infestation became much more widespread with reports of as many as 4,800 treatments by a single company.
 - In interviews with 45 key informants, all respondents indicated that the bed bug problem is widespread and growing in Toronto.
 - All landlords and professionals interviewed have been encountering bed bugs in growing numbers over the last five years. All agencies interviewed have clients with bed bugs. Most agencies indicated that they have been encountering significant bed bug issues for roughly the last five years.

The City of Toronto has been proactive in addressing bed bug infestations by developing best practices and investing both time and money into research and prevention as well as treatment. However, the demand for these services exceeds the current capacity of existing programming and municipal resources. With sufficient resources to treat and manage bed bugs, infestation can be better managed and outbreaks controlled.

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ChemTRAC and the Environmental Reporting and Disclosure Bylaw

Issue

ChemTRAC is a new program designed to protect public health and stimulate the greening of local businesses by tracking and reducing toxic chemicals found in Toronto's environment. Toronto Public Health (TPH) is coordinating ChemTRAC implementation in collaboration with Economic Development and Culture, Toronto Environment Office and Toronto Water.

A key part of ChemTRAC is Toronto's Environmental Reporting and Disclosure Bylaw (Municipal Code Chapter 423), which came into force on January 1, 2010. The first of its kind in Canada, the bylaw requires up to 7,000 facilities – including those operated by the City – to report each year if they use or release any of 25 priority substances above certain thresholds. TPH will make information publicly available via a website and annual reports. The bylaw is being phased in over the next three years, and June 30, 2011 is the first reporting deadline for many facilities.

Background

ChemTRAC has its origins in Toronto's 2000 Environmental Plan, which recommended that the City develop a community right-to-know bylaw that empowers community members to know the location, sources and health effects of toxic chemicals in their community. Right-to-know programs are known to provide valuable environmental health data and stimulate facilities to reduce chemicals. ChemTRAC reflects extensive research on substances of health concern in Toronto's air, and consultation with City divisions, businesses and community stakeholders.

Implications

ChemTRAC is a groundbreaking program with many local benefits. It will:

- collect new data on chemicals used and released in our neighbourhoods, and inform strategies to protect health and our environment;
- support thousands of mostly small businesses to make environmental improvements; and
- build awareness and engagement between residents and businesses.

ChemTRAC aligns with the City's *Climate Change, Clean Air and Sustainable Energy Action Plan* and its *Green Economic Development Strategy*. These

plans recommend new monitoring and public reporting program for toxic air contaminants, support for the “greening” of local businesses via pollution prevention education, and collaboration with industry to enhance growth, productivity and innovation

Current Status and Next Steps

TPH is on schedule to deliver key elements of the program by January 2011. These include:

- an electronic reporting and data management system that will enable facilities to report annually via the City’s website and allow facilities and the public to access data through an online database;
- technical assistance resources for businesses, such as calculators to help them estimate chemical use and emissions, on-site visits to prepare them for reporting, and e-learning modules for pollution prevention; and
- outreach and consultation with businesses, community organizations and the public to promote the program and identify needs and opportunities.

Program information and updates are available at www.toronto.ca/chemtrac.

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Toronto Food Strategy

Issue

Food can play a powerful role in promoting health, as well as building strong and diverse communities, protecting the environment and strengthening the economy. The Toronto Food Strategy is intended to build a vision and inspire action toward a healthy and sustainable food system for Toronto. It is being led by Toronto Public Health (TPH). The Food Strategy calls for the City of Toronto to identify and implement opportunities to embed food system initiatives in policies and programs, focusing on six priority areas for action:

1. Support food friendly neighbourhoods
2. Make food a centerpiece of Toronto's green economy
3. Eliminate hunger in Toronto
4. Connect city and countryside through food
5. Empower residents with food skills and information
6. Urge Federal and Provincial Governments to establish health-focused food policies

Toronto has demonstrated leadership in this area through the efforts of community organizations, City divisions and agencies, the private sector, and academic institutions. The Food Strategy will build on this foundation with an ongoing process of identifying, building and strengthening positive food connections - between local government and residents, among City Divisions, within the community, and with the countryside.

Background

Toronto Public Health's 2007 report, "The State of Toronto's Food", showed that the food we eat comes from a complex system of connected activities - production, processing, distribution, marketing, consumption and disposal - from "grow it to throw it". It warned of intensifying pressures from a range of food-related problems - hunger, obesity, chronic disease, disappearing farmland, environmental pollution - and highlighted the need for coordinated and strategic approaches.

At its meeting of June 16, 2008, the Board of Health received a report from the Medical Officer of Health entitled "Proposal for Development of a Toronto Food Strategy". In February 2010, the Toronto Board of Health endorsed "Food Connections: Toward a Healthy and Sustainable Food System for Toronto". The report identified a range of health, social and environmental problems related to food and called for the City of Toronto to use its powers

to champion a healthier and more sustainable food system. "Food Connections" served as the basis for a broad and inclusive consultation and engagement process on food issues beginning in Spring 2010.

Staff met with, and heard from, more than 60 community organizations across the city. The Toronto Food Policy Council also organized discussions on key themes, including urban agriculture, small green business, poverty, hunger, the environment, and coordinated specific sessions for youth, academics and chefs/food artisans. To seek out populations who are often underrepresented in consultations, TPH partnered with community food organizations, newcomer organizations and resident/tenant groups to support 25 workshops among diverse communities, such as people living with AIDS, women's rights groups, disabled, newcomer, Aboriginal and seniors. To further reflect community voices, TPH collaborated with United Way and the Centre for Digital Storytelling to develop a number of "Toronto Food Stories" - short videos that describe innovative food initiatives across the city. TPH staff are also working with a number of Divisions across the City to embed food initiatives into their work.

Since October 2008, the Toronto Environment Office has worked to increase the amount of Ontario grown products purchased through divisions as part of their operation or through third party leases in their facilities. These divisions are Children's Services, Long Term Care Homes and Services, Shelter, Support and Housing Administration (Hostel Services), Parks, Forestry and Recreation and Real Estate Services.

At its meeting of August 12, 2010, the Government Management Committee requested that the Director of the Toronto Environment Office, in conjunction with the General Managers of these divisions report back to the Committee in 2011 on the results of a consultant's report on strategies to achieve a 50% local food target. A Request for Proposals was issued in September 2010 and work with the successful proponent is ongoing. A report detailing a strategy is scheduled for Spring 2011.

Implications

The Toronto Food Strategy is a groundbreaking project which will bring many benefits. It will:

- Identify and implement food activities that support a healthier and more sustainable food system for Toronto;
- Build on the existing achievements of the City and community;
- Help foster collaboration among City divisions, agencies, boards, commissions and with community organizations and residents;

- Build the reputation of Toronto as an enabling and proactive leader in food issues.

Current Status and Next Steps

At its June 1, 2010 meeting, the Toronto Board of Health endorsed the report "Food Connections: Toward a Healthy and Sustainable Food System for Toronto". The June 14, 2010 Executive Committee meeting received the report for information.

The Toronto Food Strategy project is an ongoing process. Initial activities will focus on leveraging existing resources. Any initiatives which require new resources will be dealt with through the 2011 City budget process. Toronto Public Health staff will initially coordinate the Food Strategy, including seeking new opportunities to leverage existing funding and provide support to City staff and the community to implement the actions in the attached report. Among other supports, TPH will develop tools that will assist City staff and communities to compile inventories of existing assets and identify gaps and opportunities. Part of the ongoing work will be to develop an evaluation framework and indicators to measure the effectiveness of the Food Strategy. The Medical Officer of Health will report to the Board of Health and City Council at the beginning of its new term in early 2011, and will report periodically on progress to the Board of Health thereafter.

Further information and updates are available at www.toronto.ca/foodconnections.

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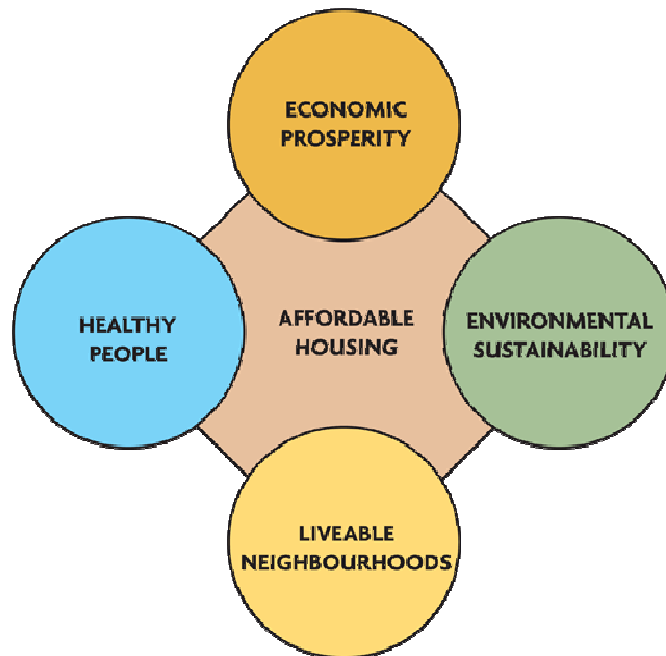
Implementation of *Housing Opportunities Toronto (HOT)*, the City's 10-year affordable housing action plan 2010-2020

Issue

Housing Opportunities Toronto (HOT) – An Affordable Housing Action Plan 2010-2020 is the City’s strategy to provide housing opportunities to low- and moderate-income residents living in homes that are too expensive, too small or in need of health and safety repairs. It includes a Housing First plan to end homelessness.

HOT is based on the principle that affordable housing enhances Toronto's economy in two direct ways: by creating and maintaining jobs in the construction and associated sectors and by providing a reliable supply of affordable homes to the workers (and their families) who are essential to the city's economy.

The Power of Affordable Housing



HOT’s 67 actions steer important work and investment decisions of the City, in partnership with the Federal and Provincial governments, as well as the public and private housing sectors.

The new Council will oversee implementation of the plan from its earliest stages over the next decade. Council will play a critical role in aligning HOT

with provincial and federal priorities and securing the resources and partnerships needed to fully implement the plan.

Background

HOT, approved by Council in 2009, contains 67 actions for the federal and provincial governments and the City of Toronto.

Implementation is the responsibility of key City divisions and ABCs, such as the Affordable Housing Office; Shelter, Support and Housing Administration; City Planning, Toronto Community Housing and others.

The Affordable Housing Office was given the mandate to coordinate this work, with the first progress report going to Council in fall 2011.

Implementation Highlights

- Council adopted the Toronto Housing Charter along with the *Housing Opportunities Toronto Action Plan*, in 2009.
- The *Good Homes-Good Neighbours – Councillor’s Guide to Affordable Housing* was completed and distributed in 2009.
- Also in 2009, Council approved negotiating a public interest partnership to redevelop the Seaton House shelter and revitalize its George Street neighbourhood.
- Beginning in January 2010, the City initiated construction of 1,240 affordable rental homes through the Affordable Housing Program Economic Stimulus Initiative, representing over \$145 million in federal/provincial investment.
- In March, the City launched *Housing Is a Human Right*, a public education campaign in partnership with the Ontario Human Rights Commission featuring 120 bus shelter posters across the city.
- In May 2010, the Street Needs Assessment 2009 was released, providing further evidence to support the Housing First approach to end homelessness.
- The DCM and Build Toronto signed a Memorandum Of Understanding for affordable housing development on City land, also in May.
- Council approved \$2 million annually under the new Toronto Home Ownership Assistance Program for non-profit developers in June. The

first developments, representing almost 400 homes and \$4 million in funding, were approved by Council in August.

- Through AHO advocacy efforts, Canada Mortgage and Housing Corporation in June increased the Residential Rehabilitation Assistance Program House Value Threshold, to provide easier access to renovation funds for Toronto homeowners.
- Council approved both the Lawrence Heights Revitalization – Corporate Implementation Actions and Social Development Plan, and the Lawrence Allen Revitalization Plan in July.
- The Tower Renewal City-wide implementation handbook was approved in July.
- Council directed the Affordable Housing Office to undertake a Symposium for Action as a catalyst for implementing the Senate’s “In From the Margins” report through national advocacy, also in July.
- Council endorsed the allocation of \$4.4 million from the Development Charges Reserve Fund to support 1,100 new affordable rental homes in five developments in July.
- During 2009 and 2010, some \$220 million was allocated through the federal/provincial Social Housing Repair and Retrofit Program to the City through Shelter, Support and Housing Administration. These funds are being used by Toronto Community Housing Corporation and other non-profit and co-operative housing providers for social housing repairs and energy retrofits.

Implications

The new Council will oversee implementation of Housing Opportunities Toronto from its earliest stages over the next decade. Council will play a critical role in aligning HOT with provincial and federal priorities and securing the resources and partnerships needed to fully implement the plan.

Current Status and Next Steps

As noted above, the City has made progress in implementing Housing Opportunities Toronto. Highlights include directing significant new economic stimulus investments in the repair and revitalization of social housing, achieving a reduction in outdoor homelessness through the Street Needs Assessment, and the creation of affordable housing.

The federal government has renewed the Homelessness Partnering Strategy until 2014. It is currently negotiating with the province on the renewal and cost-sharing arrangements for the Affordable Housing Program and the Residential Rehabilitation Assistance Program. Renewal of these programs will assist the City in meeting its targets under Housing Opportunities Toronto.

City staff will be reporting on the status of implementation of Housing Opportunities Toronto actions in fall 2011.

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Creating new affordable rental and ownership homes over 10 years

Issue

The city is awaiting a response from the federal and provincial governments on long-term funding commitments and policy changes. So far, the federal government has renewed the Homelessness Partnering Strategy until 2014.

As well, the federal government is in discussions with the province on the renewal of and cost-sharing arrangements for the Affordable Housing Program and the Residential Rehabilitation Assistance Program. The province's decision to participate in cost-sharing is expected no later than the 2011 Ontario budget.

Renewal of these programs will facilitate implementation of [Housing Opportunities Toronto: An Affordable Housing Action Plan 2010 - 2020](#).

Background

The Housing Opportunities Toronto Affordable Housing Action Plan 2010 – 2020 was adopted by City Council in 2009. The HOT plan establishes targets to create 1,000 new affordable rental homes and 200 affordable homeownership opportunities annually.

HOT is based on the principle that affordable housing enhances Toronto's economy in two direct ways: by creating and maintaining jobs in the construction and associated sectors and by providing a reliable supply of affordable homes to the workers (and their families) that are essential to the city's economy.

In the past five years, the City has approved funding for 4,093 new affordable rental and ownership homes.

Implications

Through the City's intergovernmental strategy, renewal of federal and provincial investments in affordable housing is progressing. These renewals will assist the City to achieve the affordable housing targets established in HOT.

Current Status and Next Steps

A top priority for the new term of Council will be to work with Build Toronto, Toronto Community Housing and Waterfront Toronto to create affordable housing using renewed federal and provincial investment.

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Upload of Social Housing Costs to the Province

Issue

As a key priority in Housing Opportunities Toronto (HOT) and as an important component of the City Manager's five-year plan for fiscal sustainability, the upload of social housing costs to the Province is critical to addressing long-term budget pressures for the City of Toronto.

Background

City Council, through the approval of the reports *Tied in Knots: Unlocking the Potential of Social Housing* (November, 2007) and *Housing Opportunities Toronto: An Affordable Housing Action Plan 2010-2020* (August 2009) has been consistent in its position that the costs for social housing should be uploaded to the Province while the administration of social housing should remain with the City.

Successive transfers of social housing to the municipal level in the late 90's and early 2000's have created a significant financial risk to municipal governments. There is general agreement that the local property tax base is not an appropriate mechanism to support income-redistribution programs. The federal and provincial levels of government are more suitably positioned to deal with economic downturns which can increase demand for these programs.

At the time of transfer of social housing, the Province indicated that the stock was in good repair. However, this was not the case. The single biggest risk to the City is the current and future capital repair needs of the social housing stock. The City has shown leadership in dedicating \$75 million from the sale of Telecom to TCHC for capital repairs.

In the last year the Federal and Provincial governments have provided over \$249 million in economic stimulus investments through the Social Housing Renovation and Retrofit Program (SHRRP). SHRRP represents the single largest investment in social housing by the federal and provincial governments since the download of social housing by the province to municipalities in Ontario. While these funds are welcome and are helping to reduce the backlog of capital repairs, the program is set to expire in 2011 and repair needs will continue to grow.

Social Housing in Toronto

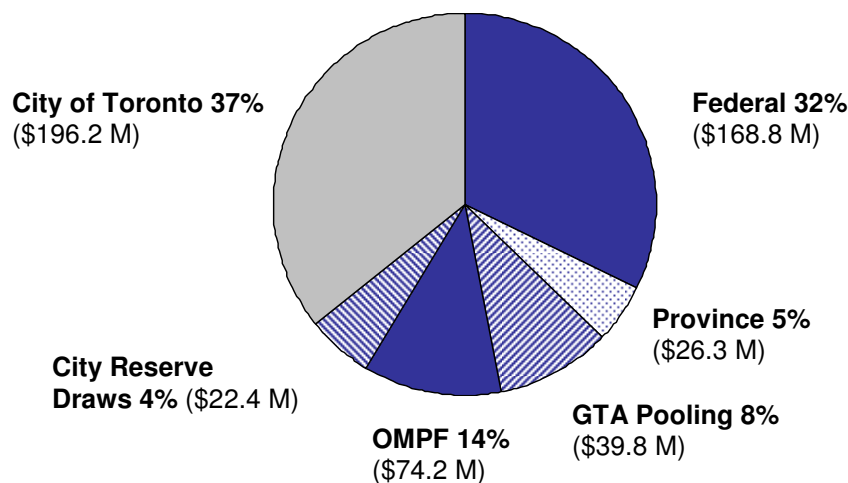
Shelter, Support and Housing Administration (SSHA) is responsible for the administration of social housing within the City. It administers approximately 93,200 units of social housing and \$527.7 M in subsidies (\$216.9 M net, 2010 Operating Budget):

- Toronto Community Housing Corporation (TCHC) - 58,700 units (\$308.9 M gross, \$122.2 M net)
- Community non profits - 20,700 units (\$115.5 M gross, \$56.7 M net)
- Co-operatives – 7,400 units (\$58.8 M gross, \$28.7 M net)
- Rent supplement private landlord – 2,700 units (\$12.2 M gross, \$4.9 M net)
- Strong Communities Rent Supplements (\$20.2 M gross, \$0 net)
- Housing Allowance Program– 1,400 units (\$5.4 M gross, \$0 net)
- Canada-Ontario-Toronto Affordable Housing Program – 800 units (\$0.80 M gross, \$0 net)
- City developed new non-profit projects – 1,400 units (some receive Strong Communities funding, no other ongoing operating funding)
- Limited dividend – 48 units (no ongoing funding)
- Administrative costs - (\$5.9 M gross, \$4.4 M net)

Social Housing Funding Sources

The social housing funding administered by the City is mandated through the Social Housing Reform Act and the City has very limited discretion regarding funding levels or allocations.

As detailed in the following graph, the City pays 37% for the largest proportion of social housing costs plus City reserve draws of 4%, while the Province pays just 19%, including the Ontario Municipal Partnership Fund contribution of 14%:

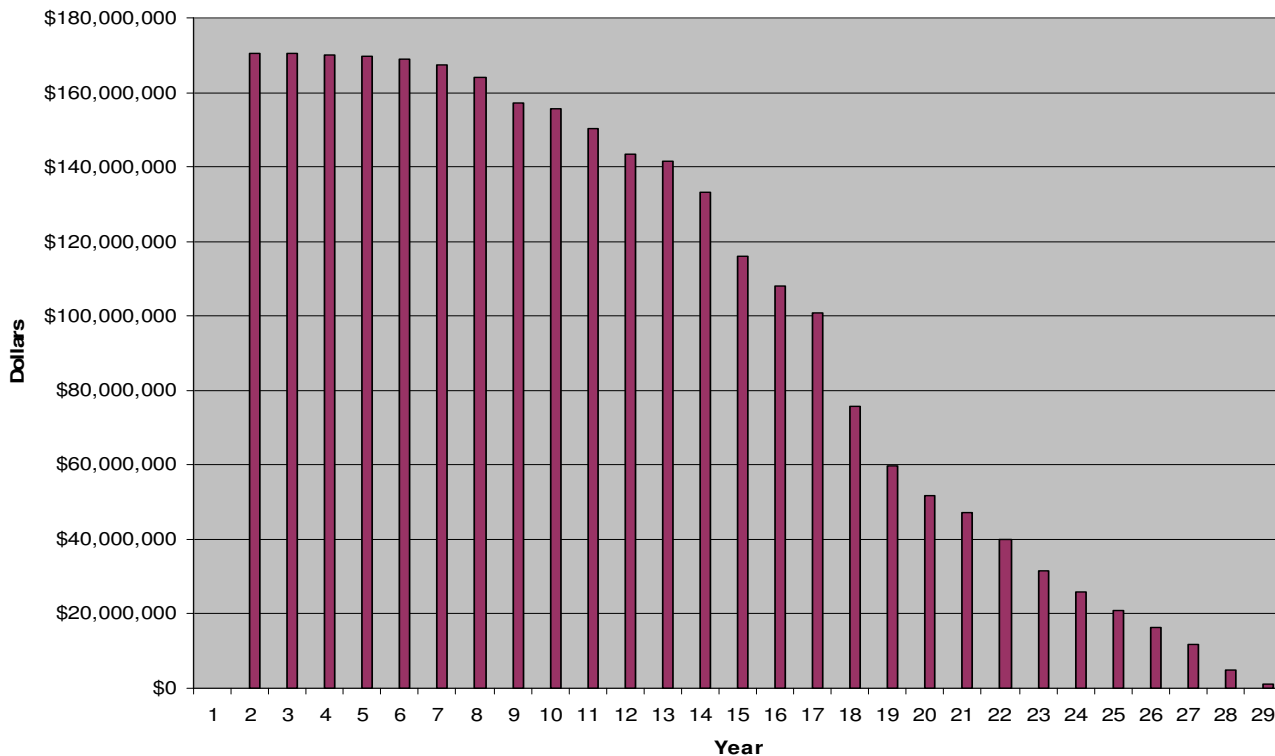


The total amount that should be uploaded is \$216.9 M, which includes the SHRA legislated housing subsidies plus administrative costs.

Declining Federal Funding

In addition to the fiscal pressure created by the provincial download of social housing, much of the funding for social housing is at risk due to expiring federal funding agreements. The federal government currently makes a significant financial contribution (\$168.8 M) to social housing through block funding to the Province who distributes it to municipal service managers. This funding will decline over time and reduce to zero by 2030 as shown in the chart below. The annual decrease in federal funding to the City should correspond to the value of expiring social housing mortgages/debentures.

Withdrawal of Federal Social Housing in the City of Toronto 2001 to 2029



For 2008 through 2011, the total amount of expired mortgages/debentures is \$1.7 million while federal funding has been reduced by \$11.8 million. This has left the City with an unexplained extra reduction in federal funding of \$10.1 million, which must be paid for through the City’s property tax base.

Implications

The pressures on Toronto's property tax base for the funding required to support social housing continues to increase. With the sharp decline in federal funding anticipated in the foreseeable future, the challenges in maintaining the existing social housing stock will continue to increase.

Current Status and Next Steps

The City is continuing to work with the Province and the Association of Municipalities of Ontario (AMO) to clarify roles and responsibilities and improve the service delivery in the area of housing and homelessness.

The Provincial Municipal Fiscal Services Delivery Review report, *Facing the Future Together*, identified that further work would be done to consolidate existing housing and homelessness funding at the provincial level, but did not recommend uploading social housing funding.

The Province is currently developing a Provincial Long-Term Affordable Housing strategy, which may provide strategic direction regarding legislative reform and greater flexibility for the repair and redevelopment of social housing. The release of the strategy is anticipated in late fall 2010.

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Social Housing Waiting List and Housing Access Review

Issue

As a key recommendation in Housing Opportunities Toronto (HOT), the City's Affordable Housing Action Plan, Shelter, Support and Housing Administration (SSHA) is undertaking a review of the social housing waiting list and the broader housing access system for low-income and vulnerable households. The review will examine current approaches and systems and explore how to improve service to clients; more effectively match applicants with units, and provide fair and efficient access to social and affordable housing.

Background

HOT City action #22 is to transform the social housing waiting list into a proactive social housing access system. The plan states that the City will accomplish this by:

- Leading a comprehensive review to explore how to improve service to clients, more effectively match applicants with units, and provide fair and efficient access to housing for the most vulnerable.
- Implementing identified recommendations and advocating for the changes to provincial legislation that are required in order to create an effective, responsive and customer-oriented waiting list system.

It has been ten years since the centralized waiting list system was mandated as part of the transfer of social housing administration from the province to municipalities in Ontario.

Prior to the download, separate waiting list systems were run by Cityhome and the Metropolitan Housing Company Limited. These two waiting lists were combined to respond to the Social Housing Reform Act (SHRA) mandate. At the time of transfer, City Council asked the then newly created Toronto Community Housing Corporation (TCHC) to run the waiting list system on behalf of the City which retained overall policy direction for the service. In particular, City Council, as the designated Service Manager for Toronto, set local priorities for access to social housing and set local occupancy standards.

In response, TCHC set up a subsidiary – Housing Connections – with specific responsibilities for administering the centralized social housing waiting list. Housing Connections also took on the task of delivering commercial rent

supplements – rent-geared-to-income subsidies available to eligible households living in private rental dwellings.

Municipalities and non-profit and co-op social housing providers have had ten years of experience with the legislation that governs the waiting list, the Social Housing Reform Act (SHRA) which is now viewed as overly prescriptive legislation, no longer effective for the realities of providing local housing solutions. The review will identify specific changes to the SHRA that would result in more effective service and a more enabling environment for the operation of the Social Housing Waiting List.

With the implementation of a Housing First approach to ending homelessness, a range of other services have been developed to help the most vulnerable to access housing and to help those most at risk of homelessness to keep their housing. One of the objectives of the review is to identify how the Social Housing Waiting List could be better aligned with other existing housing access services, as well as how new e-service initiatives like 311 may be able to improve accessibility and client service.

Implications

The City's review of the current social housing waiting list for social housing and housing access in a broader sense is intended to develop recommendations for a housing access system based on the following principles:

- A Housing First approach – once people have access to the safety, security and dignity of permanent housing they are then better able to address other challenges they may face.
- Client Focused – the first priority in the program design for any service should be providing the best possible service to clients.
- Ease of Access – the housing access system should be accessible in neighbourhoods across the City, and clients should be able to receive information and assistance in their medium and language of choice.
- Integrated – the full array of services and programs available to meet the housing needs of clients should be available through a 'one-window' approach.
- Transparency – Clients should understand the options available to them, how applicants are selected and their status on the waiting list.

- Proactive – the housing access system should offer a range of different solutions to meet the housing needs identified by clients in the short, medium and long-term.
- Outcome Focused – the success of the housing access system should be measured in how well it is able to meet clients’ needs and successfully resolve their housing challenges.
- Cost-effective – the system should use available resources effectively to deliver the highest possible quality service.

While the key challenge for affordable housing access remains a lack of new subsidized housing sufficient to meet demand which results in long wait times for those on the waiting list, the review will identify ways to provide more efficient and effective service to housing applicants and to help them connect to other community and City services that can help meet their housing needs.

Current Status and Next Steps

A review of the social housing waiting list system and the legislation, operational and governance structures that support it has been initiated by SSHA in partnership with TCHC.

Upon completion of the review, a report recommending changes to the housing access system will be brought forward by the General Manager, SSHA, for Council’s consideration.

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Shelter Per Diem Rates & Funding Model

Issue

The current cost shared provincial/municipal per diem funding model is not sufficient to cover the basic costs of service in the City's shelter system. As a result, the City's portion of costs must be increased to cover the provincial shortfall on an annual basis.

In addition, the funding model does not provide the flexibility and individualized supports required to help clients and find and keep permanent housing.

Background

Hostel Services of the Shelter, Support and Housing Administration Division (SSHA) is the Consolidated Municipal Service Manager response for shelter development, program delivery, administration and system oversight. The Ontario Works Act outlines the authority for municipalities to operate shelters or to purchase service from community agencies to provide shelter services and personal needs allowances. The Provincial revenue funding formula is an occupancy driven model which pays shelters on a per diem basis for beds occupied by homeless individuals, families and children.

There are 57 shelter facilities in the City of Toronto. The shelter system is a mixed service delivery model. The City directly operates nine shelters and there are an additional 48 shelter sites through the City operated by 30 community non-for-profit agencies funded through purchase of service contracts with the City and administered by SSHA.

Council has made numerous recommendations to urge the Province to change the funding model and increase the per diem rate. The current rate does not adequately fund the costs of providing emergency shelters in the City of Toronto nor does it fund the services required to assist homeless individuals to find and keep permanent housing.

Although the Province has put a process in place to upload the municipality's share of per diem, full cost upload will not take place until 2018. For 2010, the Provincial/Municipal costs share is 80.6/19.4, however, based on the 2010 average per diem rate, the costs share is now 65.7/34.3. Since the subsidy remains capped, the City continues to fund the shortfall, which was \$31.4 million in 2009. In addition, previous calculations by City staff show

that the per diem rate does not cover even the basic room and board costs, as identified in the Ontario Works Act.

HOT action #14 calls on the Provincial to “implement a new funding model for shelters which supports a Housing First approach and provides flexibility in the use of shelter funding to establish a permanent program to provide shelter clients with housing supports in the community, similar to the Hostel to Homes pilot”

Implications

The current per diem rate structure should be 80% Provincial and 20% municipal, however, due to the average per diem rate in the City, the cost share is closer to 65%/35%. The Provinces current average per diem rates do not cover even the basic room and boards costs, as identified in the Ontario Works Act.

Through the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR), the cost for per diems will be gradually uploaded to the Province. However, full cost upload will not take place until 2018, which means the City will continue to fund the Provincial shortfall. The 2009 projected shortfall amounts to \$31.4 million.

The current provincial funding model provides funding based on occupancy, rather than on actual operating and support costs to provide services to homeless people. By adopting a new funding model to create flexibility and individualized supports to help shelter clients find and keep permanent housing, the shelter system will be returned to its original role of providing temporary emergency assistance.

Current Status and Next Steps

SSHA initiated a comprehensive review of the shelter per diem funding model in 2009, which included consultations with the Board of Directors and senior management of 20 agencies representing 34 shelters and representatives from the Ontario Association of Hostels Toronto and the Youth Shelter Interagency Network.

Following completion of the review, staff met with Assistant Deputy Ministry of the Ministry of Community and Social Services (MCSS) and also with the staff of the MCSS Toronto Region Office to review the report and brief them on feedback from the community agencies.

SSHA continues to work with the Province regarding the development of a new funding model that is equitable and supports a Housing First approach to ending homelessness.

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Expiring Housing Allowance Programs

Issue

Over 6,100 housing allowances through five different programs have or will be provided to eligible low-income Toronto households. The housing allowance programs provide households with a monthly housing allowance ranging from \$180 to \$600 to off-set the cost of rent. The amount of each housing allowance varies depending on the program type and in some cases the size of the rental unit.

The housing allowance programs are time limited with programs set to expire between December 31, 2010 and March 31, 2013. The loss of housing allowances will result in a decrease in housing affordability for affected households and potentially eviction for non-payment of rent.

Background

Outlined below are details on each of the five housing allowance programs currently administered by Shelter, Support and Housing Administration (SSHA).

Strong Communities Housing Allowance Pilot Program (HAP Pilot)

- 400 households (\$190)
- Assist seniors, youth and homeless individuals
- Provincial funded
- Expires March 31, 2011

Canada-Ontario Housing Allowance Program (HAP)

- 1300 households (\$250-450)
- Assists vulnerable individuals and families
- Federal / Provincial funded
- Expires March 31, 2013

Mental Health Commission of Canada Research Project (MHCC)

- 300 households (\$600)
- Assists homeless individuals with mental illness
- Federal funded
- Expires March 31, 2013

Social Housing In-situ Housing Allowance Program (In-Situ)

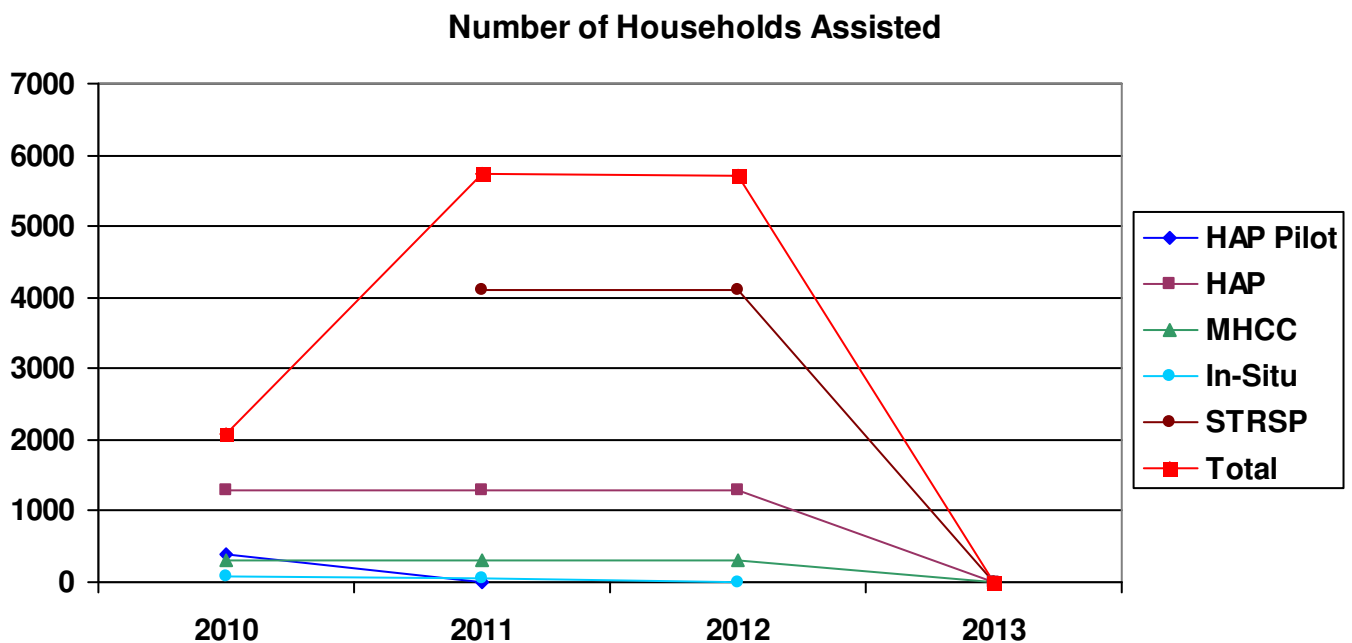
- 85 households (\$350-\$450)
- Assists low-income households paying market rent in social housing
- City funded

- End-dates (rolling) starting December 31, 2010

Short Term Rent Support Program (STRSP)

- 4,100 households (\$180-\$350)
- Assists low-income households with housing affordability
- Provincial funded with a combination of 25% direct delivery (City) and 75% shared delivery (City/Ministry of Revenue)
- Program expires December 31, 2012 for shared delivery and March 31, 2013 for direct delivery

The chart below details the number of households assisted through each of the four housing allowance programs and illustrates the increasing loss of housing allowances as of March 31, 2013.



Implications

With the loss of a housing allowance, affected households will be required to pay full market rent for their current rental unit. This decrease in rental affordability will potentially result in arrears which in turn may lead to a number of evictions as it is likely that many households will be unable to afford the transition to full market rent.

Current Status and Next Steps

Consistent with the City’s Housing Opportunities Toronto (HOT), SSHA continues to encourage its provincial and federal partners to develop a long-

term housing allowance program that supports existing households and allows other households who struggle with housing affordability in Toronto to receive assistance.

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Multi-Residential Electrical Sub-metering

Issue

Until recently, a gap in provincial legislation led to uncertainty in the individual electricity sub-metering of rental residential units. During this period, some landlords installed sub-meters within tenanted units and required tenants to pay for electricity bills in return for decreases in rent. On August 13, 2009, following several complaints, the Ontario Energy Board (OEB) ruled that such installations were not permitted, that tenants did not have a separate, legal relationship with sub-metering providers, and that landlords would need to obtain informed consent prior to sub-metering. The OEB further requested that the Province enact legislation to set specific guidelines regarding sub-metering.

The legislation will allow, with certain conditions, landlords to sub-meter rental residential properties. This may negatively impact the housing affordability for affected households.

Background

On June 8-9, 2010, Council approved Shelter, Support & Housing Administration's submission to the Ministry of Municipal Affairs and Housing (MMAH) regarding its proposed sub-metering regulations, and authorized the General Manager to take any necessary action to respond to sub-metering legislation and any related regulations.

Prior to this, the following actions were taken by the City:

- At its January 27-28, 2009 meeting, Council approved a report from the Shelter, Support and Housing Administration Division (SSHA) providing recommendations regarding sub-metering by landlords and approved the use of \$25,000 from the Tenant Defence Fund for sub-metering-related applications;
- Council approved several resolutions regarding the development of Provincial sub-metering legislation or OEB regulations on September 30, 2009;
- On February 6, 2010, the City Manager sent a submission to the Province providing broad commentary on an initial draft of the Energy Consumer Protection Act, 2010 (ECPA);

- The Mayor provided a detailed response to the Province on its second draft of the ECPA on March 23, 2010. Chief concerns included the lack of corresponding education and building retrofit programs, energy poverty, and potential unfairness to tenants; and
- On April 16, 2010, following the release of a Consultation Paper by MMAH, SSHA's General Manager submitted its comments regarding ECPA regulations.

All City submissions regarding the ECPA were prepared by SSHA with the assistance of an interdivisional working group comprised of relevant City divisions.

Implications

The principle implications of the current sub-metering landscape are as follows:

- Tenants who were sub-metered before and after the ECPA will have different rights, as will their landlords. Clear information is necessary in order for landlords and tenants to make appropriate decisions on the sub-metering of residential rental units.
- Sub-metering will likely lead to energy poverty as a result of increased costs for tenants. Given the number of low-income tenants in Toronto at present, there will be far more demand on low-income energy programs such as the Winter Warmth Fund and the Emergency Energy Fund.

Current Status and Next Steps

The following actions will be required over the coming months:

- Respond to the Ministry of Energy and Infrastructure's regulations. These regulations principally concern the licensing requirements of sub-metering providers and energy retailers, and their obligations to consumers.
- Monitor, support, and encourage provincial and City energy assistance and energy retrofit programs geared to low-income people.
- Monitor the development of educational materials relating to sub-metering, including material which explains tenant and landlord rights under both of the August 13, 2009 OEB decision and under the ECPA.

- Continue to provide grants for tenant associations (up to a maximum of \$25,000) regarding sub-metering, as directed by Council on January 27-28, 2009.

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Implementation of Early Learning Program

Issue

As a part of the Province of Ontario's Early Learning Program (ELP), full day kindergarten has been introduced for all children in both junior and senior kindergarten, with a corresponding extended day option. Implementation will occur incrementally over 5 years and will be complete in 2015.

The child care sector currently provides care to over 14,000 JK/SK children in Toronto. As care for these children is gradually shifted into the ELP, child care operators will experience a significant loss of revenue. This revenue cross-subsidizes more expensive child care areas (e.g., for infants). Without adequate Provincial investment the ELP is putting the overall child care portfolio in Toronto at financial risk. Many child care operators will become financially unstable if they are unable to reconfigure their spaces to address the needs of younger children. Operators may also be forced to increase rates to levels that are unaffordable for many families. Capital funding is required to support those operators able to reconfigure to meet the needs of younger children and operating and transitional resources are required to ensure that child care remains available and affordable to Toronto's families.

The province has not identified sufficient resources to address these issues. The ELP program and its impacts on child care will receive media coverage following the phase one launch in 101 Toronto schools in September 2010.

Background

The vision of ELP is a seamless day with integrated programming for early learning and care for children 0-12 years. In October 2009, the Premier announced that Ontario will move forward with one component of ELP, a full day early learning program for 4 and 5 year olds with an extended day program.

In January 2010, Council requested that the Province confirm support for the full vision of the ELP and provide the necessary tools and resources to support the child care sector through the transition to ELP, to ensure that overall child care is not negatively impacted.

In September 2010, Ontario's full day kindergarten program for 4 and 5 year olds was launched in 101 schools in Toronto with teachers and early childhood educators working together. Under new legislation, boards of education must offer full day kindergarten. An extended before- and after-

school program may be offered where there is sufficient parental need. Boards of education are only mandated to provide the extended day program for 188 instructional days where there is sufficient parent need. School boards in Toronto will not provide the extended day program in phase one sites as there was little interest in the program as it is currently structured. Parents require care for the full year in order to participate in the workforce. Offering care for 188 days further fragments the system and is contrary to the full vision of early learning.

Child care in Toronto and across the province must be re-engineered over the next five years to ensure sustainability and affordability during and following the transition to ELP. Toronto Children's Services (TCS) provided two reports to Council during 2010 on the Implementation of Early Learning and Toronto's Child Care Funding Risks and Pressures.

Implications

As Consolidated Municipal System Manager (CMSM), the City plans, manages and governs the second largest system of services for children aged 0 to 12 in Canada.

Available funding of \$272 million through cost sharing with the Province provides for 24,000 child care subsidies, supporting up to 28% of Toronto's low income children. Over 18,000 children are on the wait list for subsidy. Based on current trends and anticipated demand generated by ELP, the wait list is expected to increase to 24,000.

In order to sustain a high quality and affordable child care system, the child care sector requires capital funding to reconfigure their spaces for younger age groups (0 to 3.8 yrs), transitional funding to mitigate impact of implementation over 5 years and operational funding to address the affordability of child care.

The Province did allocate funding to child care; however the current funding allocations are insufficient to meet the service needs in Toronto. The Province announced \$51M in stabilization funding over 5 years of which Toronto's share is estimated to be \$11.7M. Staff project that \$27M is required to stabilize Toronto's child care system and to ensure affordability. Toronto's first year allocation is \$786,900 to provide fee subsidies for children aged 0 to 3.8. With a wait list of over 18,000, this does little to address system needs.

The Province has also provided \$430,000 in new fee subsidies for 4 and 5 year olds to support the extended day program in Toronto for the 2010/11

school year. The City projects a shortfall of \$23M in this area at full ELP implementation, based on current service levels.

Finally, the Province has allocated \$12M in capital funding, with \$2.8M likely to be allocated to Toronto. Staff has confirmed that \$13.5M is required to assist centres outside of schools with reconfiguration and \$30M is required if centres in schools are included.

No transitional dollars have been identified to sustain child care services through implementation as they reconfigure their spaces and as revenues incrementally decrease. Centres will be required to continue to provide care for 4 and 5 year olds not yet in the ELP programs during this period.

In addition to sufficient funding, the City is requesting that the Province provide a new flexible funding model. Funding through fee subsidies alone will no longer address the anticipated fee increases that result as 4 and 5 year olds leave the system. Without a base funding model, child care could become unaffordable, with fewer families having access to quality care.

Toronto's base funding pressure that accumulates by \$8 million per year will require a reduction of 3,500 subsidized child care spaces by 2012 if not addressed. This pressure, which is a result of Provincial investments not being adjusted to reflect annual increases in the cost of delivering service, will be further exacerbated by ELP.

Current Status and Next Steps

A Toronto/Ontario table has been established, chaired by the Deputy Minister of Education and the Deputy City Manager for Cluster A to expedite ELP implementation. This table is responsible for negotiating a transition agreement that ensures creation of a sustainable and integrated Early Learning Program in Toronto and addresses funding and governance issues.

As requested by Council on July 7, 2010, the General Manager, Children's Services will report to Council in February 2011 on recommendations in the June 2010 staff report *Implementing Early Learning: Status Report*, and in July 2011 on recommended strategies should base funding requirements not be addressed.

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Proclamation of New Long-Term Care Homes Act

Issue

The *Long-Term Care Homes Act, 2007 and Regulation 79/10* (LTCH Act) proclaimed into law on July 1, 2010, has resulted in a fundamental shift in the way that long-term care is regulated.

The LTCH Act introduces revised care and service standards, mandatory qualifications for various staff classifications and numerous new operating requirements on LTC homes, placing new financial pressures on long-term care (LTC) homes, without providing a corresponding increase in funding.

Background

All LTC homes are legislated and regulated by the Ministry of Health and Long-Term Care (MOHLTC). Historically, separate legislation was in place for the various types of LTC homes (i.e. nursing homes, charitable homes for the aged and municipal homes for the aged). In October, 2006, the provincial government introduced the new LTCH Act, to bring three separate pieces of legislation together under one Act. The LTCH Act was proclaimed into law on July 1, 2010.

The fundamental principle of the LTCH Act is that long-term care homes are primarily the home for residents, operated as places where residents may live with dignity, in security, safety and comfort, with their physical, psychological, social, spiritual and cultural needs adequately met. This principle is to be considered when applying any part of the legislation or regulation.

The LTCH Act expands residents' rights, provides new safety requirements and details specific requirements for each care, service and program, including written annual evaluations. It introduces new requirements for staff and volunteer screening, orientation and training. It introduces a series of complex administrative processes (that may direct time away from resident care). It introduces new requirements for reporting and complaints, including a requirement for complaints to be reported to the Ministry (including complaints to members of City Council).

There are many positive improvements and requirements in the LTCH Act, particularly regarding residents' rights for dignity, security and comfort. The Long-Term Care Homes and Services (LTCHS) Division has implemented much of the content of the LTCH Act related directly to resident care and service through ongoing quality improvement work.

Implications

While the City was an active participant throughout the provincial government's consultation process and was able to positively influence a number of key aspects of the Act and Regulation, City staff consistently stated that sufficient funding needed to be allocated before mandating any new requirements. The LTCH Act has a significant unfunded impact on long-term care homes. It establishes new and higher mandatory requirements related to staffing levels and qualifications; delivery of care and services; resident quality of life and safety; documentation and reporting; and physical plant and equipment.

There is also a number of one-time physical plant upgrades required. Some of the physical plant requirements are immediate; some are transitioned over time. Sufficient provincial funding has not been allocated to enable LTC homes to meet compliance with all the new requirements. Notwithstanding the lack of funding, Ministry inspectors do have the authority to direct and order capital improvements to long-term care homes.

Next Steps

The LTCHS Division will determine the financial impact of the legislative and regulatory changes and will report on the budget requirements as part of the 2011 operating and capital budget process.

The LTCHS Division will continue to meet with the City's Human Resources Division and CUPE Local 79 as there is impact on continued employability for both current employees and future hires if they do not upgrade qualifications and/or registration to the new requirements in the Act.

The LTCHS Division will continue to express to the MOHLTC the urgent need to increase funding for long-term care homes, based on the new requirements of the LTCH Act and ever increasing acuity and complexity of care being provided in long-term care homes.

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Kipling Acres Redevelopment

Issue

On July 31, 2007, the Provincial Government announced a capital renewal strategy for long-term care homes in Ontario with a B or C structural classification. As a result, six of Toronto's long-term care homes have been required to be redeveloped or retrofitted over the next 10 to 15 years, beginning in 2009.

In January 2010, the City received Provincial approval and funding to proceed with the redevelopment of Kipling Acres (337 beds), the division's highest priority in the redevelopment plan.

Phase 1 of the development is approved and ongoing. Staff will be including Phases 2 and 3 for consideration in the 2011 Capital Budget.

Background

In 2010, the division's recommended plan was to have Kipling Acres redeveloped in 2010-2012 into a "campus of care" or "community hub" on its existing site, which would include a long-term care home (192 beds) and a variety of community and housing components. The balance of beds (145 beds) would be moved to a newly acquired site (preferably within the Central West Local Health Integration Network). Land for this second site should be acquired within 6 months of provincial project approval. The second site was not envisioned as a campus of care, but rather as a stand-alone long-term care home.

In the Division's 2010 capital budget, City Council approved the rebuilding of a 192 bed long-term care home, delaying final decisions for the remainder of the beds and the potential to develop a "campus of care" or "community hub" until future budget deliberations

The Kipling Acres redevelopment presented the opportunity to introduce an innovative "campus of care" or "community hub" model for this project and to evaluate its feasibility for the future rebuilding of other City long-term care homes. This model both introduces a continuum of care on the same campus for tenants/residents, while also providing space for shared City services, local community agencies and small retail shops, thus creating a range of community options to serve the needs of tenants/residents and the local neighbourhood. The concept broadens the scope of services provided on-site, meets multiple City priorities, creates expanded employment

opportunities for priority neighbourhoods and enhances opportunities for collaboration with other organizations to meet community needs.

As a result of the approvals received in the 2010 capital budget decisions, the Kipling Acres Redevelopment Project has been divided into three phases, with only the first phase currently approved by City Council.

The first phase is to construct a new 192 bed long-term care (LTC) home on the existing Kipling Acres site, including collaboration with Children's Services to maintain existing programs of a Children's Daycare and LTCHS's Adult Day Program. Site design work is well underway with construction targeted to commence in early 2011. Community and stakeholder meetings have been in progress since December 2009. This phase received Council approval in the 2010 Capital Budget.

The second phase will focus on the "campus of care" or "community hub", with other City divisions proposing capital investment to enhance service provision in this community. Partners that have expressed interest and possible funding include; Affordable Housing for seniors housing, EMS for a touchdown station, PF&R and Public Health for seniors' wellness programming. It is estimated that approximately \$30.0M will be required for this phase.

Concurrent to the discussions regarding the second phase, the Division is currently having discussions with PF&R with the goal of maintaining the existing West Acres Seniors Centre on the site and incorporating it into the redevelopment. This would require a modest PF&R capital contribution in 2012.

The third phase will construct a new 145 beds long-term care home on a new site (not yet acquired). The MOHLTC has already approved their portion of funding for this phase of the redevelopment. The LTCHS Division is interested in co-locating on land owned by Toronto Community Housing (TCH) and has had preliminary discussions with TCH. Estimated costs for the land vary between \$2 to \$7 million, through discussions with TCH and the City's Facilities and Real Estate Division.

Implications

The location, construction and future services of the LTC home will impact the surrounding neighbourhood and current users of the site. Many measures have been taken by staff and the architects to modify the design and minimize the impact of the new development.

Kipling Acres (long-term care home) has been required to downsize the number of residents currently living in the home to meet 2010 budget pressures and to prepare for the partial demolition required to begin construction of the new home (i.e. the far south end of the current building will be demolished). The current occupancy of Kipling Acres is 262 residents.

The Community Care Access Centre (CCAC), Central West Local Health Integration Network (LHIN), Community Reference Group and Neighbours Meetings have all presented concerns regarding temporary reduction in occupancy at Kipling Acres. The LHIN and CCAC has demanded assurance that no further downsizing will occur, as their ability to meet community need through long-term care home placement cannot be further diminished.

There are implications on existing services (Children's Services and PF&R) during construction; the Child Care Centre will need to be temporarily relocated. The lawn bowling will be closed.

Current Status and Next Steps

Planning for the first phase is proceeding well, with oversight through a Steering Committee and input from both a Community Reference Group and a series of Neighbours' Meetings, with neighbours on Hinton, Genthorn and with the West Acres Seniors' Centre. Meetings will continue throughout the entire planning and construction period. Increased community interest is anticipated as greater details regarding phase 1 become available and as future phases are approved.

The planning for the 192 bed long-term care home is on target with construction anticipated to commence early 2011 and conclude end of 2012. There may be unanticipated budget pressures from factors such as demolition (partial demolition was not originally assumed), project phasing and site conditions. Budget refinement will be required.

Decisions are required in relation to the second and third phases during 2011 capital budget deliberations.

The capital investment required for campus of care (2nd phase) is estimated at \$30.0M. The capital investment required for land acquisition and for the 3rd phase (145 bed LTC) is estimated at \$49.0M. A preliminary multi-year plan has been identified to redevelop the remaining other homes (2012 to 2018).

Progress of Kipling Acres redevelopment will be reported to Council periodically during the new term.

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Advancing Workforce Development in Toronto

Issue

The goal of workforce development is to connect people with jobs and jobs with people. Through strategic planning, integrated services and enhanced service delivery, services to employers and residents are better aligned, more appropriate and accessible and, ultimately, more efficient and effective. As a result, workforce development strategies not only help to overcome labour shortages and skills mismatches, but also play a key role in promoting prosperity while also addressing exclusion.

In recent years, the City has worked to lay the foundations of a more coherent approach to workforce development. City divisions, ABCs, community stakeholders and business have worked together to better coordinate both planning and service delivery. This has led to the implementation of a range of initiatives and projects that address both labour demand and supply, recognise the unique strengths, needs and opportunities that exist within neighbourhoods and capitalize on the City's capacity as an employer through training and work experience placements.

Most recently, in July 2010, Council directed the General Managers of Toronto Employment and Social Services and Economic Development and Culture, in conjunction with the Executive Director of Social Development, Finance and Administration, to continue to advance workforce development in Toronto and report to City Council on their progress in 2011.

Background

Although Toronto continues to be recognized globally as a prosperous, creative and successful city, significant challenges remain. Unemployment is high (10%), many jobs are insecure and low income is concentrated within particular groups and communities. For example, youth unemployment remains high (16%), especially among those with limited education and employment, while many newcomers face challenges accessing jobs that match their skills and qualifications. The recession and its aftermath have exacerbated these trends, which, aside from issues of social equity, also undermine competitiveness, as recently noted by the Toronto Board of Trade.

Recognizing the need to advance both prosperity and inclusion, Toronto, like other city governments around the globe, has acted to develop, plan, manage and deliver critical economic and workforce development programs

and services. So, for example, a number of initiatives have been implemented to address the needs of youth and newcomers, including the Human Resources Youth Employment Strategy, Partnership to Advance Youth Employment (PAYE) and the Toronto Newcomer Initiative. Many more actions are detailed in the April 12 2010 staff report, *An Update on City Actions to Promote Economic and Workforce Development*.

Collectively this experience has reinforced the need for a city-wide workforce development strategy, integrated with an economic development strategy. Such a strategy will ensure that current and future actions are better coordinated within the City and harmonized with the activities of other orders of government and key stakeholders.

Implications

Work in three critical areas underpins the ongoing evolution of a viable workforce development strategy:

1. **Employment Planning:** Whether through opportunities that emerge from neighbourhood revitalization (e.g. Regent Park), commercial redevelopment (e.g. Woodbine and the Waterfront), or through city building activities that extend into multiple communities (e.g. Transit City, Pan-Am Games) employment planning is critical to identify, respond to and connect the workforce needs of employers and residents.
2. **Integrated Service Planning:** Better aligning and integrating services is essential to reduce duplication and ensure that services are more accessible to both residents and employers. City divisions are working collaboratively within and across clusters, as well as with ABCs, community agencies, and other orders of government (e.g. Employment Ontario) to achieve this. Integrated service planning also better meets the needs of specific populations such as youth and newcomers.
3. **Service Delivery:** Providing the broad range of services that residents and employers need, at the right time and in ways that make sense to them is paramount. This includes the many pivotal services provided by community agencies and other orders of government, in addition to directly provided City services. Reflecting the importance of direct delivery, the City's focus is on delivering high quality programs through trained and knowledgeable staff. Examples include the ongoing development of City employment centres which also provide

seamless access to a network of community based providers (e.g. Youth Employment Partnerships).

Current Status and Next Steps

Moving forward, the City will continue this work in the following ways:

- Targeted consultation and engagement with key stakeholders notably employers, community organizations and other orders of government;
- Ongoing analysis of key labour market trends and review of best practices in local employment planning and service delivery;
- Identification of critical spatial mismatches between services and needs and the strategies needed to address them;
- Continued identification and promotion of actions and initiatives that harmonize, integrate and align City activities;
- Increased emphasis on the key foundations that have emerged and which include:
 - i. Developing employment plans as a key component of City initiatives that identify and promote opportunities for low income residents;
 - ii. Realigning City capacity across Divisions to support proactive and effective employment planning and workforce development;
 - iii. Supporting a competitive and inclusive business climate;
 - iv. Building an effective employment services system that engages employers and customizes supports to meet service user's needs; and
 - v. Ensuring a strong delivery infrastructure so that workforce development services are visible, accessible, extensive and provided by skilled staff.

Informed by this work, a report will be brought forward for City Council's consideration in 2011. This report will describe and document the evolution of workforce development in the city to date, identify the key components of a plan to advance and strengthen workforce development in Toronto, and recommend the next steps to successfully implement this plan.

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Human Services Implementation Steering Committee

Issue

Following the release of the report on the Provincial-Municipal Fiscal Service Delivery Review (PMFSDR) in the fall of 2008, the Province, the Association of Municipalities of Ontario (AMO) and the City of Toronto established a Steering Committee to support the implementation of the PMFSDR recommendations related to human services. The Human Services Implementation Steering Committee (HSISC) is comprised of senior staff representatives from the City of Toronto, other municipalities and the Province.

The Steering Committee is tasked with providing leadership and guidance with respect to the implementation of key PMFSDR directions:

- reviewing the current approach to funding Ontario Works (OW) Administration and recommend principles for and opportunities to simplify and strengthen accountability
- simplifying and modernizing income assistance and employment supports
- better integrating OW, the Ontario Disability Support program (ODSP) and Employment Ontario (EO) employment services, including linkages to other employment related programs and services
- working towards consolidating the existing range of housing and homelessness programs into a housing service managed at the municipal level with a focus on long-term outcomes for people using the service system
- introducing a shared accountability framework for cost-shared programs.

Background

The PMFSDR report, *Facing the Future Together*, was an important milestone in provincial – municipal relations. Within the process, the City of Toronto was recognized as an order of government, and was accorded government status through the exercise, distinct from AMO. City staff from several different divisions and clusters were prominently involved in the exercise. The decisions agreed to have long term significance with a joint provincial-municipal commitment to develop integrated service delivery systems to better meet community needs. Most notable resolution was the uploading of social assistance benefit costs (OW and ODSP), with the province assuming full funding by 2018.

Of particular importance to the services provided by the City through Cluster A, specifically the Toronto Employment and Social Services was the work done through the Service Delivery Accountability Table. Key outputs from this Table were presented in the final report from PMFSDR, including:

- The formation of a work group to discuss concerns with the current approach to funding OW administration, with recommendations for principles for future revisions to the funding formula
- Collaboration in a timely manner on ways to simplify and modernize delivery of income assistance and employment – related supports
- An agreement to better integrate OW, ODSP and Employment Ontario services to improve employment outcomes for clients and make better use of resources; and
- An agreement to introduce a shared accountability framework for cost shared programs as outcome based policy and funding frameworks are developed in each program area.

In addition, there was agreement to look at housing and homelessness services and programs with a view to reduce program and funding fragmentation due to the involvement of a number of provincial ministries. This effort would result in enhanced municipal capacity in local service delivery coordination, building on multi-year municipal housing plans.

The Human Services Implementation Steering Committee was formed to continue the work initiated through PMFSDR, and specifically oversee the implementation of human services outcomes identified in Facing the Future Together.

Three working groups have been established:

- **The Ontario Works Funding Principles Working Group** – to review the current Ontario Works Administration and Employment Assistance funding models and recommend principles for future funding with the goal of strengthening accountability.
- **The Employment Working Group** – to review existing employment services and supports with a view to better integrating Ontario Works, Ontario Disability Support Program (ODSP), Employment Ontario and immigrant integration and settlement services to improve employment outcomes for clients and to make better use of resources

- **The Housing & Homelessness Consolidation Working Group** – to address issues associated with the consolidation of the existing range of housing and homelessness programs.

A separate group is examining the development of a shared accountability framework governing prospective Provincial-municipal- City roles and responsibilities with respect to cost shared programs.

Sue Corke, Heather Macvicar, and Lydia Fitchko have represented Toronto and have been actively involved in the Steering Committee and on the relevant working groups. Phil Brown and Sean Gadon have represented Toronto on the Housing and Homelessness Consolidation Working Group.

Implications

Decisions made by the Steering Committee will potentially affect current formulas for funding OW administration. In addition, program rules and requirements in both the housing area and in social assistance may be affected, as will the broader employment services system, including the way employment services are planned, managed and delivered by the City. New shared accountability mechanisms for cost shared programs may also be established by the Province.

The City has been advancing many of the issues before HSISC for some time, and through the PMFSDR process, worked to ensure that the City's positions were effectively articulated. For example, the City has consistently argued for full 50/50 provincial – municipal cost sharing of OW administration costs. Further, through its strategic initiatives articulated in the Action Plan for Social Assistance in Toronto and Starting in the Right Place, approved by Council in 2006 and 2008 respectively, TESS, on behalf of the City, is implementing developing new and more effective ways to plan, manage and deliver employment services to city residents in an integrated fashion, working with partners inside and outside the City.

In 2009, the City endorsed the Housing Opportunities Toronto Action Plan 2010-2020 that contains 67 actions to be undertaken by the City and the federal and provincial governments. Taking a housing-first approach, the Action Plan calls for the creation and preservation of affordable housing and supports to keep people housed, and looks for an integrated approach to housing and homelessness. Implementation of the action plan requires an integrated cross-Cluster approach to addressing housing and homelessness, in partnership with other orders of government and community organizations. The Plan was submitted to the Province of Ontario as the

City's contribution to the creation of a long-term provincial affordable housing strategy.

Current Status and Next Steps

The work being undertaken by HSISC is still underway. What specific recommendations the Steering Committee will make to the Province, and what directions will be supported, are not known at this time.

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Ontario Works Financial Assistance Caseload Levels

Issue

As a result of the recession and consistent with most other Ontario municipalities, over the last two years Toronto has experienced a sharp increase in the number of residents receiving financial assistance through the Province's Ontario Works (OW) program. OW is administered by Toronto Employment and Social Services with program benefits currently being cost shared between the Province and City at ratio of 80.6% and 19.4%.

Between 2008 and 2009, the number of singles and families receiving financial assistance through the Ontario Works program increased by 17%, growing from about 75,000 to nearly 90,000 cases. Based on these trends and economic forecasts, the City, through its 2010 operating budget, established a projected caseload of 105,000.

While applications for assistance have remained high in 2010, as of August, over 32,000 cases have left the OW program due primarily to employment or increased incomes.

This trend reflects the success of the steps Toronto Employment and Social Services has been taking to fundamentally transform the way it plans, manages and delivers services, consistent with the client-centred, employment focused approaches described in *Starting in the Right Place*, which was approved by City Council in 2008. In implementing Council's approved directions, TESS has strengthened its employment services for OW clients and city residents through its improved employment centres, through more effective employment planning, and through initiatives that directly support unemployed residents obtain work.

To date the caseload has not grown as rapidly as projected in the budget, resulting in savings to the City. The projected net under-expenditure as per the May 2010 variance report was \$4 million. The preliminary forecast for September indicates that this will increase substantially. Hence, TESS will not require the budgeted draw of \$7.8 million from the Social Assistance Stabilization (SAS) reserve to balance its 2010 budget. This will be carried forward to 2011.

Officially, Canada came out of recession in the third quarter of 2009 (the US in June 2009). Currently, however growth is slowing and the recovery in both Canada and the US remains very fragile. There continues to concern that the economy may tip back into recession. Regardless, the TD Economics

Group anticipates the second half of 2010 will see unusually soft job creation.

The sharp and sudden increase in the Ontario Works caseload has placed a significant pressure on the City's operating budget. While there are indications that the economy has stabilized, employment growth has stagnated in the last quarter, especially creation of full-time private sector jobs. Unemployment in the City of Toronto remains stubbornly high at around 10%.

Background

Ontario Works is a demand driven, provincially mandated and cost shared program that provides financial benefits and employment supports to all residents who meet provincially established eligibility criteria. Financial benefits include items such as shelter, basic assistance, prescription drugs, special diet supplement and employment start-up.

To project its budgeted caseload, TESS applies the following information and analysis:

1. Historical and key caseload trends (e.g. turnover, length of stay);
2. Economic forecasts related to Toronto's labour market, and;
3. Policy changes that will likely impact caseloads.

As in 2009, staff began their 2010 analysis by looking at and comparing previous recessionary experiences with the most current economic forecasts available. More specific trends that impact caseload growth, such as turnover and the average time cases are in receipt of financial assistance, were then incorporated into the review to provide supporting evidence for the overall findings. Finally, program changes were evaluated against the economic forecasts and analysis.

The result was the projection that TESS will deliver services to approximately 1 in 9 Torontonians or more than 235,000 individuals over the course of 2010.

While the Province began to upload benefit costs in 2010, it is being done incrementally over an extended period and will not be completely uploaded until 2018. In 2011, the cost sharing ratio will be 81.2% Province and 18.8% city.

Implications

Given the current economic situation and uncertainty surrounding the strength and duration of the economic recovery expressed by leading economists and experts, future employment and job growth remains uncertain. The risk of a double dip recession as economic stimulus packages expire and austerity measures are implemented to reduce budget deficits remains significant. The Ontario economy, with its reliance on the US, is also expected to be relatively weaker than other regions in Canada. More ominously, the recovery to date in Toronto has had minimal impact on unemployment or employment rates, both of which remain well above pre-recession levels.

There is also insufficient information on the number of people on Employment Insurance who will exhaust their benefits in 2010/11. In the absence of substantial job growth, many of these people will deplete their assets and be forced to turn to OW for income support.

This means that the OW program will continue to be a budget pressure on the City into at least 2011.

Options

As a preventative measure, continue to invest in the City's employment service capacity to assist low income unemployed and under-employed residents in securing good stable jobs and reducing their reliance on direct financial benefits.

Request that the Province accelerate the uploading of OW benefit costs.

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Replacement of the Ontario Works Special Diet Benefit

Issue

As part of its 2010/11 budget, the Provincial Government announced the replacement of the Ontario Works Special Diet benefit with a new nutritional supplement program. It also announced that the Ministry of Health and Long-Term Care (MOHLTC), on behalf of the Ministry of Community and Social Services (MCSS), would administer this new program to social assistance recipients.

To allow people to adjust to these changes, the Province also announced that there would be a transition period for the implementation of the new program and that the current Special Diet benefit was to continue until further notice. At the time, the province stated it would provide details regarding the new nutritional supplement program and the transfer of administrative responsibility from MCSS and municipalities to the MOHLTC in the future.

Background

Advocacy groups and a group of sympathetic health professionals have taken the position that, as a result of inadequate social assistance rates, social assistance recipients should be entitled to the maximum \$250 monthly special diet allowance provided for under the Ontario Works Act (OWA).

The intent of the Special Diet policy under OWA is to provide additional funding to social assistance recipients who require a special diet as a result of a medical condition (e.g. diabetes, cystic fibrosis, kidney disease etc). Eligible OW clients can receive up to \$250 per month and any family member may be eligible to receive the Special Diet benefit. As a municipal service delivery agent, Toronto Employment and Social Services (TESS) is responsible for complying with provincial regulations regarding all program benefits, including eligibility for Special Diet.

Under the current process, a provincially established Special Diet Schedule is used to help determine who is eligible for the Special Diet Benefit, as well as the specific amounts for those medical conditions that require a special diet. The amounts provided are issued in addition to the amount for basic needs and shelter. Designated health professionals, including doctors and registered nurses, are required to complete Special Diet forms, identifying the medical conditions under which a client may receive benefits.

TESS and MCSS have identified concerns related to the completion of these forms, with the opinion that some social assistance clients are accessing the maximum special diet benefit as a means of supplementing current social assistance allowances. The Auditor General of Ontario, in his recent report, also noted that there are a number of issues related to the Special Diet Benefit, similar to those that TESS has identified over the past several years.

The TESS 2010 Operating Budget for all direct financial benefits is \$954.8 mil (\$186.4 million net) resulting in an average monthly cost of about \$758 per case. Special Diet is one of several budgetary items that make up the total case cost and accounts for about \$61 of that monthly cost or \$75 mil gross (\$14.6 million net).

For 2010, TESS projected a total average monthly caseload of 105,000 out of which it was estimated that the average monthly Special Diet caseload would be approximately 20,000. The 2010 budget represents more than a three and half fold increase in the number of cases receiving the Special Diet Benefit since 2005 when approximately 5,600 cases received the benefit.

Implications

To date, the City has not received any additional information regarding the new nutritional supplement or the transferring of administrative responsibilities to the MOHLTC.

As a result, the Division is not in a position to assess the impact of the new program on either Toronto residents who receive the Special Diet Benefit or the financial impact on the City's operating budget.

There has been no indication by the province regarding how either the creation of the new program or the transfer of responsibility between ministries would directly impact municipal cost sharing. Municipalities currently cost share the Special Diet benefit with the province at approximately 80.6/19.4. It should also be noted that even without changes to the cost sharing of this particular benefit, all social assistance benefit costs are scheduled to be fully uploaded to the Province by 2018.

Current Status and Next Steps

The City of Toronto has long recognized and shared concerns that social assistance rates have continued to decline and are inadequate in meeting the basic needs of low income residents. Current social assistance rates do not adequately address the cost of living and make it difficult to ensure that low income residents have the ability to purchase healthy food.

In 2006, TESS released the report "Systems of Survival, Systems of Support: An Action Plan for Social Assistance in the City of Toronto" which recommended the adjustment to the benefit rate structure to address this inadequacy. TESS remains committed to advocating for fair and equitable access to basic needs benefits that are adequate for all OW recipients in Toronto while maintaining a separate nutrition related benefit for those recipients suffering from chronic illnesses. However, using the Special Diet allowance to compensate for low rates is inconsistent with the intent of the benefit and potentially compromises the integrity of the OW program.

TESS will continue to provide updates of the impact on residents of changes to the Special Diet benefit when new information is known. Given that we have not received any further information regarding the proposed changes we do not anticipate that there will be any 2010 budget implications. TESS will report on future budget impact related to the Special Diet benefit through the 2011 budget process.

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Recreation Service Plan

Issue

Parks, Forestry and Recreation Division is in the process of developing a 5-year Recreation Service Plan. The Plan will provide a framework for decision-making and establishing priorities and principles for investments. The plan will:

- identify current recreation service levels;
- identify gaps and areas where service improvement is needed;
- develop a mechanism to ensure that our programs and services meet the recreational and leisure needs of the City's diverse population; and
- provide a basis for decision-making and priority setting for investment.

Background

In August 2009, Council approved four principles to guide the planning process and to ensure that all Torontonians, particularly those with greatest need, have access to high quality recreation services that support social, economic and physical health, now and in the future. The Council direction is outlined in the link below:

City Council, August 5 & 6, 2009, Item EX33.23 – Development of a City-wide Recreation Service Plan www.toronto.ca/legdocs/mmis/2009/cc/decisions/2009-08-05-cc38-dd.htm.

These principles include:

1. **Equitable Access** – providing equitable recreation access on a geographic and demographic basis for all residents of Toronto;
2. **Quality** – providing the highest quality of programs and services to enhance the health, quality of life and well-being of residents;
3. **Inclusion** – ensuring that everyone has the opportunity to access and participate in programs and services that are planned, delivered, and managed to recognize diversity and encourage participation of marginalized and racialized people and groups; and
4. **Capacity building** – provides programs and services of social, economic, and physical benefit to all participants and creates a sense of community, belonging, and vitality.

Implications

Recreation service planning is an important mechanism used to ensure that the City's Parks, Forestry and Recreation programs and services remain relevant to the diverse and changing needs of residents and communities.

The Plan will review current recreation services in a comprehensive manner to identify needs, trends, gaps, opportunities and capabilities. Building on the Council-approved principles, the plan will set 5-year measurable goals and objectives to guide service delivery.

Service planning will help the Parks, Forestry and Recreation Division establish consistent processes and methodologies to deliver recreation programs and services equitably across the City. The Recreation Service Plan review is the first step in a planning process that ensures that the City develops recreation programs, services, and assets equitably across the City of Toronto. It will help to ensure that the priorities for providing recreation services are better articulated to the public. The Plan will promote collaboration across a network of recreation programs and services that contribute to the quality of life and well-being of all Torontonians. It will also reflect the City's commitment to the principles of fairness, equity, quality, inclusiveness, and capacity building.

Consultation Process – Recreation Service Plan & Parks Plan

An extensive community and stakeholder consultation strategy is being developed for both the Recreation Service Plan and the Parks Plan to ensure that Toronto's diverse communities are engaged in the development of these plans.

Consultations will be held across the City and will include local residents, diverse and newcomer communities, equity seeking groups, park and recreation user groups, internal and external stakeholders, Councillors, local businesses, funding organizations, City agencies, other owners of green space (e.g. school boards, universities, hospitals), etc. We will also develop an on-line survey with communication materials so people can interact with us individually if desired. Our aim is to consult as widely as possible in order to ensure that these plans are comprehensive and responsive to the needs of Torontonians.

Internally, Parks, Forestry and Recreation staff is already playing a key role in the development of the Plan. Recreation Managers have been involved from the very early stages of the project. Staff from all levels of the Division are being asked to participate.

Current Status and Next Steps

Data is being collected to provide baseline information about how, when and to whom we currently deliver services. A staff engagement process is underway. A comprehensive public and stakeholder engagement strategy is being planned to provide public input into the development of the Service Plan. A staff report will be submitted to Council in February, 2011 outlining the Division's public and stakeholder engagement strategy.

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Parks Plan

Issue

The Parks Plan is a strategic planning initiative which will define a focused program of investment in the City's system of parks and trails. It will align service delivery with the social, economic and cultural needs of a diverse and changing population, and will identify the role of parks and trails as key city infrastructure that is also part of the City's natural and environmental framework. The Plan will guide decision-making over a five-year time frame, after which it will be reviewed and updated to keep its objectives current.

Providing, developing, and maintaining a healthy system of parks and trails represents a key service to City residents and visitors, and is a key driver in meeting overall City goals of social and physical health and environmental sustainability. Since parks host many of the City's recreation facilities and programs, the parks system is has a key role in promoting involvement in recreation programs that enrich people's lives by building skills and linkages to their communities.

Since parks are also home to 2.5 million trees and extensive natural areas, the parks system is key to meeting the City's tree canopy targets, providing residents and visitors with attractive and comfortable public environments and accommodating natural habitat.

Background

The Parks Plan is an initiative that originated in 2006 from recommendations included in the City Council endorsed, Parks, Forestry & Recreation Strategic Plan, "*Our Common Grounds*." The primary focus was to develop strategies and priorities for design and capital improvements to the City's open space system of parks, trails and natural areas.

Over time, the project scope expanded to include park maintenance and operating service improvements, so the plan now encompasses parks design and capital asset improvements, as well as, operational service improvements and priorities.

PF&R has conducted background research, developed a set of guiding principles and a park and trail classification system, written various status reports and carried out internal consultations across the Division.

Direction was received by City Council on February 22 and 23, 2010 to proceed with the development of a city-wide, multi-year Parks Plan, as outlined in the link below.

PE28.3 - Development of a City-wide Parks Plan

www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-02-22-cc46-dd.htm.

The principles outlined in the Parks Plan are as follows:

1. Parks and Trails as City Infrastructure
2. Equitable Access for All Residents
3. Nature in the City
4. Place Making
5. Supporting a Diversity of Uses
6. Community Engagement and Partnerships
7. Environmental Goals and Practices

Implications

The Parks Plan will provide a framework that will guide decision-making in the acquisition, development, management and operation of the system of public parkland across the City and will identify priorities for the allocation of resources. The Parks Plan will be developed concurrently with the Recreation Service Plan to ensure a comprehensive, multi-year approach to the delivery of parks and recreation services by the Parks, Forestry & Recreation Division.

The plan will include a review of current park amenities and service levels in a comprehensive manner to identify needs, trends, service standards and gaps in service provision. The Parks Plan will be effective as well in addressing important environmental and sustainability objectives within the City, including air quality, tree canopy coverage, response to climate change, and preservation and enhancement of natural areas. The plan will also capitalize on opportunities to develop partnerships and engage with local communities in the fulfillment of their park and recreation needs.

An extensive community and stakeholder consultation strategy is being developed for both the Parks Plan and the Recreation Service Plan to ensure that Toronto's diverse communities are fully engaged in the development of these plans and their implementation. Consultations will be held across the City and will include local residents, diverse and newcomer communities, equity seeking groups, parks and recreation user groups, internal and external stakeholders, Councillors, local businesses, funding organizations, City agencies, and other owners of green space (e.g. school boards,

universities, hospitals), etc. We will also develop an on-line survey with communication materials so people can interact with us individually if they choose to do so. Our aim is to consult as widely as possible, in order to ensure that these plans are comprehensive and responsive to the needs of Torontonians.

Current Status and Next Steps

PF&R staff have prepared a Project Charter to guide the development of the Parks Plan. Work is focusing on confirming the set of guiding principles adopted by Council and further refining a draft park classification system that was also presented as part of the report to Council in February, 2010. These two key components will lay the foundation for the Parks Plan. The parks maintenance and operational components of the plan are also being developed. Lastly, the linkages and overlaps between the Recreation Service and Park Plans are being identified and will be included in both plans.

Staff are currently conducting research on all of our parks, park facilities and operations. An analysis of our current levels of service provision will be undertaken. Information materials for the consultation “workbook” are also being prepared. Additionally, a comprehensive public and stakeholder engagement strategy is being planned to garner public input into the development of both the Parks Plan and the Recreation Service Plan.

A staff report will be prepared for the new Council in February, 2011 to inform them of the goals, objectives and timelines for the development of the Recreation Service Plan and the Parks Plan and to seek approval for the public and stakeholder consultation strategy.

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Allocation of Ice at City-owned Arenas Operated by Arena Boards of Management

Issue

In late 2009, concern was raised about equitable allocation of available ice at City-owned arenas operated by Arena Boards of Management. A staff report this year found that only 1 of 8 Arena Boards of Management was allocating ice in a way that was consistent with the City's Ice Allocation Policy.

As a result, City Council directed that City-owned arenas operated by Arena Boards of Management to come into full compliance with the City's Ice Allocation Policy for the 2011/2012 season. Because compliance is to be phased-in during the next two seasons, some organizations serving emerging groups, specifically women and girls, have continued to face difficulty obtaining ice time at board-operated arenas for the 2010/2011 season.

As an additional step towards more equitable ice allocation, in 2010 Council directed staff to implement a new city-wide ice application/allocation process. This process will better accommodate new and emerging groups and more effectively utilize all of the City's ice surfaces, both Board- and City-operated. This process is to be developed in consultation with the Arena Boards of Management for the 2011/2012 season.¹

Implementation of a centralized ice application/allocation process and full adoption of the City's Ice Allocation Policy are expected to lead to service improvements and help to ensure fair and equitable outcomes for all applicant groups.

Background

The City of Toronto through its Parks, Forestry and Recreation (PFR) division directly operates 40 arenas with 48 ice pads. In addition, there are 8 City-owned arenas that are operated by Arena Boards of Management. Governance of the board-operated arenas is through a relationship framework agreement, administered by the City Manager's Office and approved by Council in 2007.

At City-operated arenas, ice is allocated consistently through a Council-approved Ice Allocation Policy with the following targets, in priority order:

¹ for a link to the full report, please see www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-02-22-cc46-dd.htm.

- 60% to Community Youth (not-for-profit 90% resident children and youth);
- 25% to Competitive Youth (not-for-profit non-resident children and youth);
- 0.5 % to Competitive Junior Hockey;
- 14% to Community Adult (not-for-profit resident adult and older adult); and
- 0.5 % to Commercial (private/commercial).

Application of the Policy ensures that community youth programs for children and youth obtain their proportional share of ice based on current participation levels and the type of play. Priority is given to the "Community Youth" category which applies to house leagues that offer recreational programs open to all resident children and youth.

All applications for ice at City-operated arenas are evaluated yearly, in order to ensure that new and emerging groups have an equitable opportunity to obtain prime-time ice. When all applications have been received, the ice allocation formula is applied to determine each group's allocation entitlement.

All attempts are made during the allocation process to allow for minor or youth organizations to continue using local arenas where that league or association has traditionally been located. Priority is given to house leagues scheduling game-time rather than practice-time. The Ice Allocation Policy takes into consideration historical use along with a group's ranked choices as outlined on the application request submitted to the City.

City-operated arenas follow consistent and Council-approved policies and procedures to allocate ice. In contrast, the eight board-operated arenas have traditionally functioned at arms-length from the City, and have followed their own policies and procedures, developed their own business models, allocated their own ice time and set their own fees.

Implications

Implementation of a centralized ice application/allocation process and full adoption of the City's Ice Allocation Policy for the 2011/2012 season are expected to lead to service improvements and help to achieve greater progress in ensuring fair and equitable outcomes for all applicants.

Current Status and Next Steps

Since December 2009, Arena Boards of Management have been required to submit their applications and allocation plans to the General Manager of PFR for approval. This process has aided in oversight and in developing a greater understanding of how ice is being utilized at these City-owned facilities.

Development of a centralized application/allocation process for the 2011/2012 season will be undertaken by PFR staff in consultation with Arena Boards of Management, and existing, new, and emerging user groups.

The City's Ice Allocation Policy will be reviewed as part of the division's Recreation Service Planning process.

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2012 Ontario Summer Games

Issue

The City of Toronto has been chosen as the host municipality for the 2012 Ontario Summer Games. City Council, in July, 2010, agreed to serve as the financial guarantor for these games and has signed the Host City agreement which provides appropriate City control of the Games' planning, financial and audit functions. The Council decision can be found at:

City Council, July 6, 7, 8, 2010, Item EX45.12 – Support for the 2012 Ontario Summer Games in Toronto
www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-07-06-cc51-dd.htm.

Background

The Ontario Summer Games (OSG) is Ontario's largest multi-sport event and will be held in Toronto in 2012 from August 16th to 19th. The bid to host the 2012 OSG's was initiated by the Toronto Sports Council in response to an interest expressed from their membership. The Staff Action Report for the City to support the Games was approved by City Council in July, 2010. The theme of the 2012 Games is "Building the Base," to prepare for the successful hosting of the Pan and Parapan American Games in 2015.

The 2012 Games are being planned in collaboration with the Toronto Sports Council and with the full support of the Pan/Parapan American Games Corporation.

The OSG's provide Ontario's top young athletes with the type of development and competitive opportunities they need to prepare for national and international competition. There are 3,500 participants competing in roughly 30 different sports. Athletes competing range in age from 13 to 22 years. The Games are held every two years and require up to 1,000 community volunteers. Greater Sudbury hosted the Games in 2010 and the City of Ottawa hosted the Games in 2008 and 2006.

The venues for Toronto's Games will be distributed across the city so that residents from many different areas have the opportunity to experience and enjoy the Games. In order to accommodate the athletes close to the sports venues, four temporary athlete villages will be established as follows:

- East Village (Centennial College Residences);

- Downtown Village (University of Toronto's New College, Trinity College, St. Mike's and 89 Chestnut Residences, Ryerson University Pitman Hall and Ryerson University International Living Learning Centre);
- West Village (Humber College North Campus); and
- North Central Village (Seneca College Newnham Campus)

Implications

The direct economic impact of hosting the Ontario Summer Games is estimated by the Sport Alliance of Ontario to be between \$3.5 and \$4.5 million. Local businesses are the main beneficiary of the economic activity generated by the Games.

Hosting the 2012 OSG's in Toronto will also advance a number of initiatives to strengthen Toronto's position as a leader in health promotion, social innovation and livability. These initiatives include: Tobacco Free Games; Volunteer Capacity, Participation Development, Sport Education and Leadership, and Sport Injury Prevention.

The anticipated cost of hosting the 2012 OSG held in Toronto is \$1.68 million, based on budget actuals from previous Games. There are no capital costs associated with the Games.

To ensure the effective management, planning and delivery of the Games, the City is contributing \$300,000 for staff and related costs over two years. The 2011 and 2012 Parks, Forestry and Recreation Operating Budget submissions will detail proposed costs and revenues associated with the Games for Council's consideration.

The host municipality is responsible for any deficit that may be incurred as a result of the organization, management, promotion and conduct of the Games. Historically, the Ontario Summer Games have never incurred a deficit. Based on the anticipated budget of \$1.68M with confirmed revenues of \$875,000 (\$600,000 hosting grant, \$65,000 contribution from Tourism Toronto, and \$210,000 in participant registration fees), and a City contribution of \$300,000, it is anticipated that the remaining amount of \$505,000 would be recovered through sponsorship agreements, ticket sales, the sale of merchandise and fundraising. In the event that these revenues are not fully realized, the City of Toronto would be responsible for covering any losses that might be incurred.

The preliminary overall budget for the 2012 Summer Games, including in-kind donations, as developed by the Toronto Sports Council, is as follows:

Revenue \$

Sports Alliance Host Grant	600,000
City of Toronto	300,000
Tourism Toronto	65,000
Athlete Participation Fees	210,000
Sponsorships, Ticket Sales, Merchandise and Donations	505,000

Total Revenue 1,680,000

Expenditures \$

Accommodation and Food	912,000
Games Management	486,000
Travel	282,000

Total Expenditures 1,680,000

All finances for the Games flow through the City of Toronto. All purchases comply with the City's purchasing policies and bylaws.

Current Status and Next Steps

The following actions have been completed or are currently underway to ensure the successful hosting of the 2012 Games:

- Host City Agreement signed;
- Games Organizing Committee established;
- Volunteer Chair positions filled;
- Volunteer committees currently being populated; and
- Final lists of sports to be confirmed in December, 2010.

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Climate Change Action Plan

Issue

Climate change results from increasing concentration of greenhouse gases (primarily carbon dioxide, methane and nitrous oxide) in the atmosphere that returns more energy than would naturally escape from the earth. The burning of fossil fuels (e.g. oil, coal and natural gas) to power and/or heat buildings, vehicles, and other operations results in ever increasing emissions of the greenhouse gases which contribute to climate change.

Climate change is now widely accepted as the single biggest environmental challenge and a leading economic challenge facing our planet. In Toronto, evidence of climate change is reflected in increased intensity and frequency of storms, heat waves and emergence of invasive plant and animal life that previously were unable to survive in our climate.

The emissions associated with the burning of fossil fuels are also a significant contributor to local smog. Toronto's Medical Officer of Health has documented that current levels of air pollution contributes to the premature death of about 1,700 people and 6,000 hospitalizations in Toronto annually. Also, there is strong link between air pollution and asthma, which is now a leading chronic disease in children.

Background

In July 2007, City Council adopted, *The Climate Change Action Plan* that established the following targets for Toronto:

- Reduce greenhouse gas emissions by 6% below 1990 levels by 2012, 30% below 1990 levels by 2020 and 80% below 1990 levels by 2050; and
- Reduce smog causing emissions by 20% below 2004 levels by 2012.

In July 2008, City Council adopted a climate change adaptation strategy titled, *Ahead of the Storm*, which established a framework for the City to identify and prepare for the financial, environmental and social risks that will occur as a result of changing weather patterns. For details about the strategy see Note 3.57, *Ahead of the Storm – Toronto's Adaptation Strategy*. The main goal of that strategy is to avoid financial costs, environmental damage and reduce disruption to citizens and businesses.

In November 2009, City Council mapped out the next phase of actions to address climate change, when it adopted *The Power to Live Green: Toronto's Sustainable Energy Strategy*, which established the following energy conservation and renewable energy generation targets:

- Reduced electricity consumption by 1,050 Megawatts by 2050;
- Reduced natural gas consumption by 1,560 million cubic metres by 2050;
- Generation of 1,000 megawatts of renewable electricity by 2050; and
- Displacement 200 million cubic metres of natural gas with renewable thermal energy by 2050.

Implications

In addition to taking action on climate change, many actions have provided significant financial, economic and social benefits to the City and the community.

For example, investments made by the City to improve the energy and water efficiency of its directly owned and operated buildings has reduced operating costs and paid back the capital investment usually within 7 to 10 years. Another example is the Home Energy Help program, which leverages the City's investment of \$2 million over two years to access additional funds and resources available from the Province, Enbridge Gas and Toronto Hydro to provide low income households residing in single family housing with the ability to reduce their energy demands by up to 30%. Emissions are reduced, while jobs are created to implement the retrofits and the household reduces their monthly energy bills decreasing their potential needs for ongoing financial assistance.

Current Status and Next Steps

The *Climate Change Action Plan* includes 68 core actions. Of those 68 actions work has been initiated on all directives, with 70% now complete. In addition, the Plan's recommended policies and programs are in place and functioning, including:

- Renewable Energy Zoning Bylaw Amendment;
- Increased Tree Planting and Maintenance;
- Live Green Toronto Initiative;
- Home Energy Assistance Toronto;
- Home Energy Help;
- Sustainable Energy Funds;
- Toronto Solar Neighbourhood Initiative;

- Tower Renewal;
- Toronto Green Standard;
- Toronto Green Roof Bylaw;
- Eco-Roof Financial Incentive;
- Sustainable Transportation Initiatives (e.g. Smart Commute; Bike Plan);
- ChemTRAC (the Environmental Reporting and Disclosure Bylaw); and
- Greening of City Operations (e.g. energy efficiency retrofits of city owned buildings; green fleet actions).

Of the remaining recommendations only a few remain to be finalized (e.g. Green Taxi Strategy) and reported to City Council. Most of the remaining actions have been made redundant due to actions taken by the Province of Ontario, or they have been incorporated into the actions adopted by City Council as part of *The Power to Live Green: Toronto's Sustainable Energy Strategy*. The 32 actions presented in *The Power to Live Green Strategy* represent the next steps for taking action on the issues of climate change and air pollution.

Evaluating the outcomes of the initiated policies and programs and whether progress is being made against the emissions reduction targets is an ongoing process. Information, as part of the Green Initiatives Reporting, is currently being collected for a report in 2011 that will summarize all the policies and programs that help reduce emissions and quantify, where possible, the emission reduction outcomes of those actions. In addition, the Green Initiatives reporting assesses whether the emission reductions are eligible for carbon credits and other environmental attribute credit programs based on a methodology developed by the Carbon Credit Working Group that the City established in 2009, in response to Federal and Provincial cap and trade developments.

Work has also started on updating the City's greenhouse gas and air pollutants inventory, which measures the progress made by the City government and the Toronto community towards the emission reduction targets and identifies the major sources of emissions. This inventory will also inform proposed new policies and programs or revision of existing policies and programs.

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Ahead of the Storm: Toronto's Climate Change Adaptation Strategy

Issue

The City is experiencing changing weather patterns due to climate change, which have significant cost and service delivery implications on operational divisions. The primary concern is increasingly frequent severe weather events causing harm to all Torontonians, including the City's most vulnerable citizens, damage to the City's infrastructure and impacting City and business sector operations. In response to this increasing concern, the City developed a *Climate Change Adaptation Strategy* to cope with and adapt to extreme weather.

To help the City better understand the risks associated with changing weather patterns including more extreme weather events, a Climate Change Risk Assessment Tool has been developed as part of the Adaptation Strategy. As the Climate Change Risk Assessment process and tool is being implemented, a list of high risk concerns is being generated for cost effective actions and future planning.

Conducting this risk assessment and undertaking corrective actions will reduce possible legal liability for the City, Councillors and staff. Cost avoidance actions for high risk concerns will be less costly than dealing with injuries, fatalities and heavily damaged critical infrastructure. Many actions to date have resulted in multiple benefits, including cost savings, energy savings and improved reliability of service.

Background

Toronto's climate is changing and it will continue to change for many decades to come. It is important that key vulnerabilities to extreme weather are identified and managed to help avoid unnecessary local economic and social costs. For example, Toronto has experienced eight 25-year storms in the last 10 years, with several of those ranging between the 25 and 50-year storm range and one being a 100-year storm.¹ Many of these storms have resulted in damages to City infrastructure, businesses and homes.

In 2008, City Council adopted, *Ahead of the Storm: Climate Change Adaptation Strategy*, which identifies short- and long-term actions to

¹ Storms are identified as 25-, 50- or 100-year storms to describe the frequency with which a storm of a certain force occurs within a specified timeframe, on an approximate basis. The increase in the frequency of storms of significant force reflects the impacts of changing weather patterns.

increase resilience to extreme weather. This plan focuses on achieving local benefits and recognizes that many adaptation actions can have additional benefits such as reduced air pollution and increased energy savings.

City staff are initiating action through the Toronto Urban Climate Change Network to help communicate the need for increased climate change adaptation due to extreme weather events. Examples of extreme weather events are: rain and snow storms; freezing rain storms; heat waves; droughts; and wind storms. Particular concerns for Toronto are risks that have multi-organizational implications or have the possibility of one failure leading to another.

Implications

Particular concerns about the changing weather patterns in Toronto are more frequent extreme rain, freezing rain and heat events that cause costly damage to critical infrastructure and/or harm citizens. The most costly and disruptive events have been the extreme rains. For example, in a six hour period on August 15, 2005, extreme rains cost \$500 million in insurable losses, primarily due to basement flooding and damages to vehicles. The City itself incurred over \$30 million in damages to replace the destruction of the earthen bridge and culvert at Finch Avenue.

Infrastructure is designed to withstand extreme weather up to a particular standard, based on historical weather records. With quickly changing weather patterns, many of these standards are becoming or have become obsolete. To help inform City staff of potential future extreme weather events, a Climate Drivers Study was undertaken to provide more reliable information on the intensity and frequency of extreme weather events.

As part of the Adaptation Strategy, the City developed the Climate Change Risk Assessment tool that identifies high risk related to specific program or infrastructure. Using this Assessment Tool, together with future extreme weather information from the Climate Drivers Study, the City will have a foundation for better informed decision making for the design, construction and maintenance of City infrastructure as well as the design and delivery of the City's service programs.

The most significant implication of the climate change adaptation work is cost avoidance due to damages to infrastructure. Through better knowledge of future extreme weather impacts, infrastructure and equipment purchases, the City can better manage extreme weather events that are likely to occur within the service life of the assets.

From an economic development perspective, as Toronto actively manages the issue of extreme weather associated with changing weather patterns, our City may be differentiated from other large cities as being a more resilient location to conduct business. Accordingly, Toronto will be able to attract and retain more investment relative to other large cities which are more vulnerable to climate change and not actively managing risks.

Current Status and Next Steps

The major phases of the Climate Drivers Study and Climate Change Risk Assessment Project have been completed, including: benchmarking studies; engagement of City divisions, agencies and corporations; risk assessment training workshops; and pilot risk assessments for Transportation Services and Shelter, Support & Housing Administration.

The Climate Change Risk Assessment Tool is designed to help with both climate change and environmental risk assessment. The Tool will form the foundation for an environmental management system, a key component of environmental due diligence and maintaining historical data.

Next steps:

- Incorporate the results of the Climate Drivers Study into the Climate Change Risk Assessment Tool.
- Continue to roll out the Climate Risk Assessment Tool to more City divisions.
- Work with divisions to identify risks and corrective actions
- Outreach to other infrastructure and key employers to conduct climate risk assessment.
- Identify key adaptation actions required by key infrastructure and service providers.
- Report back to Council.

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The Power to Live Green: Toronto's Sustainable Energy Strategy

Issue

Toronto faces several key energy challenges:

- Energy security - how to properly plan for sufficient energy supply to meet growing demand while minimizing the financial and property-related impacts from constructing additional energy infrastructure,
- Energy costs - how City budgets can best handle anticipated increases without materially altering current funding priorities, and
- Transforming energy use and generation to reduce greenhouse gas emissions - cost-effective investments in energy efficiency, renewable generation, and smart distribution to meet Council's long-term greenhouse gas reduction target of 80% below 1990 levels by 2050.

While much of the authority to address these three challenges rests with the provincial and federal governments, Toronto has an important role in shaping these responses while reducing its energy and carbon footprints.

Background

In November 2009, City Council adopted *The Power to Live Green: Toronto's Sustainable Energy Strategy*, as the next phase of the City's Climate Change Action Plan. The strategy focuses on meeting the energy supply requirements of our businesses and homes and ensuring energy prosperity into the future by focusing on energy efficiency, renewable energy generation and smart distribution of energy. The strategy sets specific energy targets for conserving electricity and natural gas and generating renewable energy on the same timetable as the Climate Change Action Plan.

To realize this vision and meet the energy targets, *The Power to Live Green* builds on existing energy initiatives such as the Better Buildings Partnership, the Sustainable Energy Funds, and Tower Renewal through the following new actions:

- Facilitate the creation of a partnership among the City, utilities, and other key stakeholders to bring together existing programs and jointly build new programs for residents and business to achieve greater energy and water efficiency, access more renewable generation opportunities, and understand smart distribution developments.
- "Green the City's grid" by undertaking new renewable energy generation and energy conservation opportunities.

- Research and develop proposals for greater uptake of district energy opportunities on City and private lands.
- Work with the utilities to evaluate and implement where appropriate smart grid technologies.
- Identify and develop local green energy job and economic opportunities.
- Advance the piloting of electric vehicles and research related infrastructure issues as part of a larger effort to promote all forms of sustainable transportation.
- Develop innovative financial approaches to support these new energy actions.
- Engage Provincial and Federal governments on steps necessary to advance the City's energy strategy, including renewed consideration of stricter energy efficiency standards for existing buildings, greater authority to support the City's energy finance efforts, and economic supports for fostering local green energy job opportunities.

To implement these measures, several stakeholder working groups have been created.

Implications

By helping to shape Toronto's energy future, *The Power to Live Green* positions the City as a key stakeholder and valuable partner for provincial and federal efforts. The strategy's emphasis on conservation, renewable generation, and smart distribution of energy resources through the measures summarized above will help:

- stabilize growing energy demand to allow for more proactive energy supply planning across the GTA, throughout Ontario, and within Canada;
- save on increasing electricity and natural gas prices and growing climate change adaptation costs;
- realize potential new revenue streams; and
- continue the City's status as a leader in Canada and a municipal model around the world.

Current Status and Next Steps

Working Groups have been established and are conducting research and developing program and policy options. Some of the Working Groups will have prepared research papers and presented reports and recommendations to City Council by mid to late 2011, pursuant to *The Power to Live Green* recommendations. Working Group reports include:

Live Green Toronto Energy and Water Efficiency Partnership

A proposal for a joint program with the City, utilities and other partners that will provide property owners with a one-stop service for improving the energy and water efficiency of their property.

Related to this energy efficiency component, is the current efforts of the Energy Efficiency Office to replace the 90 megawatt program supported by the Ontario Power Authority that ends in 2010 with a similar commitment supported by Toronto Hydro for 2011-2014 (under the Green Energy Act). This program has facilitated energy efficiency efforts for the Toronto municipal, academic, social and health care, and certain multi-family residential markets, as well as commercial markets through the Better Buildings Partnership.

Energy Finance

Linked to the proposal above, will be recommendations on how the City and partners can provide the financial incentives needed to support property owners in taking action. The Working Group is also providing input to the District Energy and Electric Vehicle efforts summarized below.

District Energy & Geothermal

Completed a comprehensive paper with feasible legal and policy tools that the City can implement for its own lands to influence private landowners. Stakeholder consultations on these proposed tools will occur in late 2010 and a report will be presented to City Council in early 2011.

Electric Vehicles

Toronto Hydro and the City's Fleet Services Division have engaged with manufacturers to bring electric vehicles to Toronto for testing and piloting. The Working Group has been researching policy and regulatory issues associated with electric vehicles and will be presenting Council in mid-2011 a proposed strategy for preparing for, and supporting the roll-out of electric vehicles over the next ten years.

Engaging with the Provincial and Federal Governments

Compilation of specific regulatory changes and/or policies needed from the Province and Federal governments to fully realize the potential of the strategy. The City Manager held a meeting with the Ontario Deputy

Ministers for Energy, Environment, and Municipal Affairs to discuss these needs and City staff are now working with Provincial staff on proposals.

Concerted, comprehensive, coordinated effort to follow and submit comments on Ontario Energy Board, Ontario Power Authority, and Ministry of Energy regulations, codes, and policies that affect the implementation of the energy strategy.

Corporate Energy Management Committee (CEMC)

Composed of representatives across the City's agencies, the principal goal is to serve as a forum for the exchange of information and experiences. Topics for discussion include the:

- City's Energy Retrofit Program - assisting City Divisions in implementing energy conservation and environmentally beneficial measures in City facilities and operations and,
- Renewable Energy Office's solar photovoltaic initiative - a Council-approved jointly funded effort with Toronto Hydro to install photovoltaic systems on the roofs of City buildings under the Green Energy Act's Feed-In Tariff opportunity that promises new revenue opportunities for the City.

Green Jobs and Economy

Undertaking research efforts to determine and anticipate opportunities realized by implementation of the strategy.

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Green Building Initiatives

Issue

Toronto Building is responsible for enforcing the Ontario Building Code. The Division is also a leader in green building initiatives at the municipal level and is involved in the building code development process at the provincial and national levels. There has been considerable interest at all orders of government in increasing the levels of energy efficiency in buildings.

Background

Ontario Building Code (OBC)

The OBC contains the highest energy efficiency standards in Canada. The Code has specific requirements for energy efficiency for small buildings and requires that new construction of large buildings comply with ASHRAE 90.1 with modifications, or alternatively, the Model National Energy Code for Buildings. The code also contains a number of requirements that support the principle of energy efficiency.

The *Building Code Act* prohibits municipalities from setting standards that go beyond the minimum requirements in the OBC. The City is limited in its power under the *Building Code Act* to require higher levels of energy efficiency. In 2007, Council requested that the Province provide the City with the authority to exceed the provincial standard for energy efficiency in new buildings, or provide the City with the authority to develop its own energy efficiency requirements.

Green Roofs

The *City of Toronto Act, 2006* (COTA) provides an exception to the limitations of the Building Code Act in the area of green roofs. COTA permits Toronto to require green roofs and set the standard for their construction. In 2009, Council adopted Toronto Municipal Code Chapter 492 – Green Roofs, making Toronto the first North American municipality to establish a construction standard for green roofs. In late 2009, the Province responded to City Council's request to amend COTA to allow the same authority for green roof alternatives, such as "cool roofs" where performance is comparable to a green roof.

2011 Ontario and National Codes

The Province is expected to release a new edition of the Ontario Building Code in 2011. The last edition of the OBC was released in 2006. The Code is based in large part on the model national building code, which is also in the process of revision for introduction in early 2011.

Toronto Building staff will be reviewing the proposed technical changes in both codes and highlighting key issues for Council's attention. As part of the process, the Ministry of Municipal Affairs and Housing and the National Research Council convenes technical committees to review public comments. Toronto Building staff sit on these committees to provide expert advice on how the proposals may affect municipal enforcement of the code.

Implications

Energy Efficiency

Energy efficiency is a key area of the Codes being considered at both provincial and national levels.

At the provincial level, the Building Code Energy Advisory Council (BCEAC) was established under the Good Government Act, 2009, to provide advice to the Minister of Municipal Affairs and Housing on how to amend the energy efficiency provisions of the OBC. The mandate of the Council has since been expanded to include water conservation. Toronto's Chief Building Official and Executive Director, Toronto Building, represents Toronto and other regulatory officials on this Council. At the national level, the Model National Energy Code for Buildings (used as a benchmark for energy efficiency) is undergoing revisions for inclusion in the model national building code.

There is interest at both the national and provincial levels for increasing the energy efficiency of new building construction beyond current prescribed levels.

Current Status and Next Steps

Toronto Building has been conducting technical research in the area of alternatives to green roofs in response to the new power granted under COTA. The results of this research are expected to be included in the technical updates to the green roof construction standard in late 2011.

The City Manager has met with the Deputy Minister of the Ministry of Municipal Affairs and Housing to discuss the objectives of the City's Climate

Change and Clean Air Action Plan, including the identification of opportunities to increase the energy efficiency levels of existing buildings. City and Ministry staff have had initial discussions on potential opportunities in advance of the next meeting between the City Manager and Deputy Minister in late fall.

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Green Fleet Plan

Issue

The purpose of the Green Fleet Plan 2008-2011 is to reduce fuel use, fuel costs and emissions of greenhouse gases and smog pollutants from the City's fleet vehicles.

Background

The Plan was adopted unanimously by Council in 2008. It is part of the City's Climate Change, Clean Air & Sustainable Energy Action Plan, 2007.

The Green Fleet Plan builds on earlier work under the Green Fleet Transition Plan 2004-2007.

Fleet Services Division leads the implementation of the Plan, in concert with other City Divisions. The Plan scope covers the 4,600 vehicles and equipment in our City Fleet which includes City Divisions with major fleets and some City agencies. The scope does not include TTC, Police, Fire and EMS as they have their own Green Fleet Plans.

Implications

The City of Toronto has been recognized for its environmental leadership as a result of the Green Fleet Plan. By adopting fuel-efficient technologies and practices, the City is reducing fuel costs and emissions of pollutants that cause climate change, smog and health impacts.

By actively seeking and testing new technologies, and sharing our experience with other fleets, the City is encouraging other organizations to adopt successful green technologies and help clear our air.

Current Status and Next Steps

- The City's fleet of cars has largely been replaced by more fuel-efficient models including hybrids.
- Implementation currently focuses on introducing electric vehicles and finding solutions for the City's medium- and heavy-duty vehicles.
- Idle-reduction initiatives are in place for all sectors of the fleet.

- A new Green Fleet Plan will be developed for Council's consideration in 2012.

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Deep Lake Water Cooling Project

Issue

The Deep Lake Water Cooling Project (DLWC) is a public/private partnership project undertaken by Enwave Energy Corporation, using City of Toronto water infrastructure in part, to provide district cooling to participating buildings in the downtown core. This project reduces cooling energy consumption by up to 90 percent for participants and reduces the emission of greenhouse gases associated with air conditioning by 40,000 tonnes per year, the equivalent of taking 8,000 cars off the road.

Background

Water from Lake Ontario at a depth of 83 metres is drawn into the City's Island Water Treatment Plant (WTP) through three new 5km long intake pipes. Water at this depth is typically 4.5° C or colder year-round. The water is treated and transmitted to the John Street Pumping Station where the coldness of the water (but not the water itself) is used to service a chilled water district cooling system supplying air conditioning to the downtown core. The treated drinking water is then transmitted to the distribution system as usual.

Implications

The project involves a long term partnership between the City and Enwave captured in an Energy Transfer Agreement (ETA).

As district cooling is required year-round, continuous operation of the Island WTP is required, with the exception of a period between January and March when supply from the R.C. Harris WTP is cold enough. Due to this requirement, the Island Plant was winterized at a cost of \$17 million (the plant was previously only operated in peak demand periods during the summer). Further improvements to the Island WTP have been carried out to prevent condensation issues resulting from the treatment of cold water during the summer months at an additional cost of \$5 million, which has been cost-shared with Enwave.

Enwave has constructed three new intake lines for the Island WTP and constructed an addition to the John Street Pumping Station containing an energy transfer facility. They have also constructed an extensive chilled water distribution system under city roadways. Buildings cooled by DLWC include new and old City Hall, Metro Hall and Queen's Park.

The City receives an annual fee for energy transfer as well as compensation for incremental costs incurred due to DLWC operation.

Current Status and Next Steps

DLWC became operational in July of 2004 and has expanded to its design capacity. The ETA has been amended on two occasions to better address the business requirements of both parties.

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Toronto and Region Conservation Authority: Community Transformation

Overview

The Toronto and Region Conservation Authority (TRCA) brings together individuals, businesses and governments to create innovative programs that will allow cities to grow and thrive today and well into the future. Four of TRCA's key programs include:

- Community Transformation Programs
- Partners in Project Green: A Pearson EcoBusiness Zone (PPG)
- Sustainable Neighbourhood Action Plans (Black Creek SNAP)
- Stewardship Programs

Community Transformation Programs

Issue

Programs designed to promote adoption of environmental best practices.

Background

Includes sector based programs such as Greening Health Care, Greening Retail, Carbon Competitive Cities to move communities toward sustainability.

Implications

Sector based programs with measurable outcomes will support municipal sustainability objectives and specific greenhouse gas emissions reductions, energy efficiency and renewable energy targets.

Current Status and Next Steps

These are ongoing programs that will be expanded across Ontario and Canada. The economic implications of programs will be addressed in the future.

Partners in Project Green: A Pearson EcoBusiness Zone (PPG)

Issue

Opportunity for Toronto to work with neighbouring municipalities, all orders of government and the business community to become a world-class region for eco-innovation and build a competitive advantage. Turning this vision into reality demands collaboration between local businesses, governments and communities.

Background

This initiative encompasses 12,000 hectares in the vicinity of Toronto Pearson International Airport, including portions of the City of Toronto and Region of Peel, which consists of approximately 12,500 businesses and 350,000 employees. Currently, 212 businesses and 738 employees are engaged in programs and networking activities, helping them to reduce costs (through saving of 5.4 MW of electricity demand, over 3.6 million m³ of natural gas annually, and 1,100 m³ of water per day) and identify new business opportunities. In addition, four programs have connected 30 local youth to green jobs and internships with area businesses.

Implications

This initiative presents new business attraction opportunities for Toronto. Results to date have shown that transforming operations has opened up new markets and business opportunities. The PPG model is helping businesses to become more competitive by reducing energy, water and waste costs while being stewards of the local environment. PPG activities help to accomplish the goals and extend the reach of Toronto's Green Economic Development Strategy, Green Development Standards, and supports businesses in complying with the new Toronto Environmental Reporting and Disclosure Bylaw.

Current Status and Next Steps

Continue to offer programming, training and networking to leverage the successes and experiences of companies around the Pearson Eco-Business Zone to transform Canada's largest employment area into the centre for green economic development in North America. TRCA is working with Toronto Economic Development on a roadmap to replicate the successes of the Pearson Eco-Business Zone in the other 36 employment areas in Toronto.

Sustainable Neighbourhood Action Plans (Black Creek SNAP)

Issue

Development of environmental action plans for improving stormwater management, natural heritage and other issues on private and public lands to complement the City of Toronto's basement flooding program and advance TRCA's objectives for improving watershed health. The Black Creek Plan has been developed (the Plan encompasses the area of Steeles Ave. to Finch Ave., Hwy 400 to the Black Creek ravine) which is in one of Toronto's Priority Neighbourhoods.

Background

The project management team includes the TRCA, the City of Toronto, the Jane Finch Community and Family Centre, and the Black Creek Conservation Project. The team guides the development of the Sustainable Neighbourhood Action Plans and engages the community. A consulting team provides technical and community engagement expertise. Community consultation and benchmarking of the current conditions based on available data is underway.

Implications

The Black Creek Plan illustrates integrated implementation of strategic plans and policies at a neighbourhood level. It will draw on the City of Toronto's Wet Weather Flow Management Master Plan, local basement flooding remediation study, the Climate Change Adaptation Strategy, Water Efficiency Plan, urban forest policies and TRCA's Humber River watershed plan as well as the expertise of Live Green Animators and local NGO program delivery agents.

Current Status and Next Steps

TRCA is developing a long list of retrofit actions for the Black Creek neighbourhood based on the Plan, such as downspout disconnection, rainwater harvest and urban forest enhancement. Scenarios for change will be evaluated based on criteria from strategic plans, community priorities and modelling results. Consultation with the community, delivery agents and city staff is on-going.

Stewardship Programs

Issue

Programs designed to connect adults and youth to their local environment. It is important to give people the tools for change to allow them to become more sustainable as individuals within their own community.

Background

TRCA is undertaking a number of stewardship programs, including Wetlands for Water Quality based on TRCA's Aquatic Plants Program (APP) which aims to get Toronto youth active through participation in a wetland restoration excursion, specifically growing aquatic plants in the classroom and then planting them at the restoration site. Students experience wetland ecosystems and continue to make connections between their actions and resulting impacts on water quality. Neighbourhood adult workshops about energy conservation, water conservation and native plant gardening provide the basics for sustainable actions at home.

Implications

Programs address and explain climate change to adults and children and provide hands on activities that can help to demonstrate what individuals can do to take action.

Current Status and Next Steps

We will continue to partner with Toronto Water to engage the public in educational activities that avoid duplication.

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Toronto and Region Conservation Authority: Flood Management Services

Issue

The Toronto and Region Conservation Authority (TRCA) has a mandate under the *Conservation Authorities Act, 1946* to reduce the risk to life and damage to property by providing local agencies and the public with notice, information and advice during severe rainfall events with the potential for flooding, and during flood related emergencies. The TRCA's Flood Management Services has been established to prepare and respond to flood related emergencies, meet the needs of municipal partners, and ensure the health and well being the Toronto region.

Background

The TRCA's Flood Management Services consists of four main program areas, including:

- Flood Management Program
- Flood Protection and Remedial Capital Works Program
- Flood Forecasting Program
- Flood Infrastructure and Hydrometrics Program. This Program is one of the most advanced systems in Ontario and meets the Ontario Flood Forecasting & Warning Implementation Guidelines (Ministry of Natural Resources, 2008).

The Flood Management Program

This Program is responsible for strategic development planning to produce long term plans for the sustainable management of flood risk in TRCA's jurisdiction. This process involves collaboration with local and provincial governments, Greater Toronto Area conservation authorities, private sector companies and others, to test plans and to coordinate responses to floods in order to minimise impact on life and property. This program manages the daily flood warning service. This includes the 24-Hr Flood Duty team who issue flood warning messages and provide clear and consistent flood warning procedures including communication and coordination with municipalities during events and post events.

Flood Protection and Remedial Capital Works Program

This Program includes the identification of Flood Vulnerable Areas (FVA's) and the development of a comprehensive database of flood vulnerable structures and roads (FVA Database). Twelve key risk areas or "clusters" of FVA's have been identified in the City of Toronto. The FVA database is also

used to prioritize areas where flood mitigation capital works projects would either eliminate or reduce the existing risks to life and property.

Flood Forecasting Program

This Program maintains and operates an extensive hydrometrics system which provides accurate, real-time gauging information that allows for the timely and accurate prediction of flood risk. TRCA's newest state of the art tool uses radar technology (NexFLOOD) to provide up to a two hour lead time for flood forecasts and more detailed information on potential flood locations.

Flood Infrastructure & Hydrometrics Program

This Program is responsible for maintaining TRCA-owned flood infrastructure, including large flood control dams, channels, floodwalls, berms/dykes etc. The Flood Infrastructure team is responsible for delivering an annual works program that includes long term planning, inspection and maintenance of infrastructure.

Implications

Flood Forecasting and Climate Change

Climate change has resulted in a number of changes to our weather patterns including more frequent, powerful and unpredictable thunderstorms resulting in large amounts of precipitation, which can result in almost immediate and devastating flooding. Currently, there are approximately 36,000 people living in flood vulnerable areas within TRCA's jurisdiction, 14,000 of those reside in the City of Toronto. There is also a substantial amount of potential property damage due to flooding which could occur in the City of Toronto, including an estimated \$123.6M of residential property damage and \$445.3M of non-residential property damage. This equates to \$570M total potential damage due to flooding, not including the potential damage to public infrastructure.

Urban Flooding

TRCA's Flood Management Service is a crucial partner in providing information which informs municipal response to urban flooding. Urban flooding is not caused by the overtopping of watercourses (i.e., it is not ravine flooding). It is defined as the flooding that occurs due to overwhelmed storm sewer systems resulting in street flooding and/or basement flooding. The Province (MNR, MOE, EMO) is currently developing a strategy to address urban flooding issues in consultation with conservation authorities and municipalities. TRCA's flood management service will be in a position to play a critical role in addressing urban flooding in the future by providing technical assistance and advice to our municipal partners.

Wet Weather Flow and Flood Remedial Works

Coordination with the City, in particular Toronto Water and Toronto Transportation, is critical if major flood protection and remedial capital works projects are to be implemented. In a recent pilot project in the Rockcliffe community, cooperation between the City and TRCA proved to be effective and necessary to combine the local issues of river flooding and basement flooding. Coordination is also required to set up capital budget plans for long term project goals.

Emergency Management

TRCA is a participant of the Toronto Office of Emergency Management and has an active role when the Emergency Operations Centre is activated during significant events. Coordination between TRCA and numerous City divisions (including Police, Water, Parks and Transportation) is critical to the effective execution of flood related emergency management events. The municipal outreach project that is carried out by the flood management service is an ongoing effort to ensure that systems are in place to insure successful operations during emergencies.

Current Status and Next Steps

With thousands of people residing within flood vulnerable areas within the Toronto and millions of dollars worth of potential property damage, there is an immense need for the continued support and development of TRCA's Flood Management Service. TRCA has formed valuable relationships the City, including with Transportation Services, Toronto Parks and Toronto Police. Further development of TRCA's municipal outreach program will allow both TRCA and the City to work in partnership to address their shared responsibility of protecting life and property, through increased communications and the sharing of information prior to, during and post event.

Future objectives of the Flood Management Service include:

- undertaking a Class Environmental Assessment studies based on the priorities established in the Flood Protection and Remedial Capital Works Strategy, in order to eliminate or reduce the risk to priority flood vulnerable areas;
- conducting annual municipal workshops and developing a municipal outreach program to improve communications and establish clear and consistent procedures;
- initiating a public awareness campaign to inform the public of their existing risks due to flooding; and

- developing a five-year emergency management exercise plan.

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Basement Flooding Protection Program

Issue

The City of Toronto has experienced wide spread surface and basement flooding as a result of extreme storm events throughout its history. The existing policy is to provide a sewer system with enough capacity to carry flows from storms with an intensity that would be exceeded only once in two years or once in five years, depending on the location in the City.

However, storms exceeding these design capacities appear to be occurring more frequently. This, coupled with increased use of basements as living space, proliferation of reverse slope driveways, increasing density of infill development and aging infrastructure has resulted in a need to improve methods to protect basements from flooding during extreme storm events.

Background

The key elements of the basement flooding protection program are the:

1. Basement Flooding Protection Subsidy Program;
2. Basement Flooding Work Plan; and
3. Mandatory Downspout Disconnection By-law.

The Basement Flooding Protection Subsidy Program provides a cash subsidy to homeowners who install backwater valves and sump pumps on their own property that will prevent sewage from backing up from the City sewer into their basement, regardless of the amount of rainfall.

On August 19, 2005 over 4,200 basement flooding complaints were received by Toronto Water as a result of an extreme storm in the north end of the City. As a result, in April 2006, City Council approved the Basement Flooding Work Plan requiring a comprehensive engineering review be undertaken to address chronic basement flooding problems in 31 separate study areas located across the City (the "31 Basement Flooding Study Areas").

One of the key features of the Basement Flooding Work Plan is to improve both sewer capacity and overland flow design standards in areas experiencing chronic basement flooding. These enhancements provide a level of protection against basement flooding from sanitary sewer backup for a storm event equivalent to a return frequency of between one in 25 to one

in 50 years; and from surface flooding for the one in 100 year storm event, where feasible.

Each of the Basement Flooding Study Areas requires the completion of an Environmental Assessment (EA), which typically takes about three years to prepare. The recommended construction projects in each study area are prioritized such that deficiencies in the sanitary sewer system receive a high priority, while very costly projects that benefit relatively few properties would receive a low priority. In the four most severely affected study areas, the EAs have been completed and construction has begun. The EAs for ten more study areas are almost complete and projects from those will start to be prioritized with the others starting in 2013. The remaining study areas will begin their EAs in 2011 and 2012.

The Mandatory Downspout Disconnection By-law requires all downspouts to be disconnected from the sewer system except where it is not technically feasible or where doing so would create a hazardous condition. Property owners have until 2011, 2013 or 2016 to do this depending on whether they are located in the Combined Sewer Area, one of the 31 basement flooding study areas or the rest of the City, respectively.

Implications

The long term benefit from the Basement Flooding Protection Program is an improved level of protection against extreme storms in the 31 basement flooding study areas. However, EA studies take time to complete and can not all be done at once and likewise the construction of the recommended solutions will stretch on for over ten years. Unfortunately, some residents have to wait longer than others for remedial works to be completed in their neighborhood.

Construction also has to be coordinated with other utility work in the road allowance and therefore can cause delays in needed road repairs or other utility projects. When it is necessary to temporarily store floodwater, typically parks provide the only possible locations in already built up areas. This may require the reconfiguring of some parks, but that can also provide an opportunity to renovate a park space.

The costs of these measures are significant and are in addition to the budget needed to address the backlog of state-of-good-repair. The desire to complete these works as quickly as possible puts pressure on the rest of the Toronto Water Capital Budget.

Current Status and Next Steps

- Complete basement flooding studies in remaining study areas.
- Add projects from recently completed studies to existing list and re-prioritize.
- Identify capital cost for completing construction projects and receive Council budget approval.
- Enter into multi-year contract with Engineering Design and Construction Management firm to implement another five years worth of projects.

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Lead in Drinking Water Mitigation Program

Issue

The primary sources of lead exposure to Toronto residents are food, soil and dust. Lead seldom occurs naturally in water sources such as rivers and lakes. However, lead is occasionally detected in drinking water sampled within older buildings.

When lead is detected in drinking water it is primarily as a result of corrosion of or wearing of materials containing lead that may be found in water services and internal building plumbing. The most common sources are lead water services (which were generally used to service homes built before 1955), lead-based solder used to join copper pipe, and fixtures made of brass and chrome-plated brass.

The City has adopted a comprehensive approach to address concerns about lead in drinking water, including:

- a 9 year Lead Water Service Replacement Program to replace the City-owned portion of the lead water service lines, starting in January 2008;
- filter rebate program;
- Corrosion Control Plan (CCP), which must be submitted to the MOE by October 15, 2010; and
- public education campaign

Controlling corrosion of lead pipes by managing the chemical composition of drinking water is an economical and effective method of protecting citizens from the effects of lead in drinking water.

Background

In May 2007, 36 municipalities across Ontario were given a Provincial Order to sample for lead at the tap by Ministry of Environment's Chief Drinking Water Inspector. On July 26, 2007, amendments to O.Reg 170/03 under the Safe Drinking Water Act, 2002 to reduce the potential for elevated levels of lead in drinking water at the tap came into effect. In response to the Provincial Order and the new regulation, City Council, at its July 16, 17, 18 and 19, 2009 meeting, adopted a new Lead Water Service Connection Replacement Program (LWSCRCP) to accelerate the replacement of the City-owned portion (from the watermain to the water shut-off valve at the property line) of the estimated 65,000 lead water services at the time within 9 years starting in 2008, at an estimated cost of \$236 million over 9 years.

On April 8, 2009, Public Works and Infrastructure Committee adopted a report by the General Manager, Toronto Water, and the Medical Officer of Health, Toronto Public Health, headed "Establishment of a Toronto Water Lead Content Mitigation Rebate Program". This filter rebate program offers an annual maximum \$100 rebate to qualified "at-risk" residents for the purchase of an NSF/ANSI-053 certified faucet mounted lead removal filter.

In addition to the above noted actions municipalities are required to implement corrosion control when 10 per cent or more of the residential samples, from two of three consecutive testing periods, show results greater than the Ontario Drinking Water Quality Standard of 10 parts per billion (ppb). If the municipality's test results indicate that corrosion control is necessary, they must submit a CCP to the MOE.

Of the four sampling rounds undertaken from December 2007 to October 2009, the City has had two rounds where more than 10 per cent of the residential samples were above the provincial standard of 10 ppb. This has triggered mandatory corrosion control.

In August 2009, Toronto Water engaged a consulting firm to undertake a corrosion control study and prepare the CCP for submission to the MOE by October 15, 2010. The preparation of the CCP is on schedule and on budget.

Since 2008, Toronto Water and Toronto Public Health have coordinated public education campaigns through websites, flyers, and postcards delivered to nearly 200,000 households in targeted neighbourhoods and an improved notice program for lead water service replacement.

Implications

The City's comprehensive approach to address lead in drinking water has significantly raised public awareness and interest in the City's Lead Water Service Connection Replacement Program. The public awareness and interests have resulted in significant numbers of public enquiries as well as higher expectations on the program delivery.

Given many competing priorities in Toronto Water, such as the basement flooding mitigation program, state-of-good-repair, plants expansion, transmission expansion and the Coxwell trunk emergency repair, the 9-Year Lead Water Service Connection Replacement Program has put a financial pressure on Toronto Water.

There has been recent concerns raised in North America about the effectiveness of the partial (city owned portion) lead water service

replacement. The City has launched a public campaign and education program to encourage home owners to replace the private side of the lead water service as well. The filter rebate program is aimed at addressing those concerns temporarily while the corrosion control plan is to ultimately address lead concerns in City's drinking water.

The Corrosion Control Plan is likely to recommend treating Toronto's water with an additional chemical such as phosphoric acid as it is expected that small amounts of lead will continue to be leached from meters, faucets, solder, and other metallic sources even when all lead services are replaced.

The estimated capital cost to implement corrosion control with phosphoric acid at all four water treatment plants is \$6M to \$8M. The estimated annual cost for chemical consumption is \$1.25M per year. This may also allow Toronto Water to reduce the rate at which it is replacing lead water services to alleviate some of the capital budget pressures.

Current Status and Next Steps

The Lead Water Service Connection Replacement Program is designed to replace the city owned portions of lead services through coordination with other capital works programs such as watermain, sewer or road works.

In addition to this program, lead water services may be replaced on an individual basis, in advance of the nine-year program through the Emergency Water Service Replacement Program and the Low Flow and Low Water Pressure program.

The Corrosion Control Plan is subject to approval by the MOE, results of additional testing, and installation of new infrastructure in the City's water treatment plants. It is anticipated that treatment of drinking water with additional chemical(s) to control the corrosion of the lead in the system will commence in 2013.

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Lake Ontario and Waterfront Water Quality

Issue

The area of Lake Ontario abutting Toronto has been listed as an “Area of Concern” since 1987 by the International Joint Commission (IJC) due to a number of environmental conditions including beach postings, restrictions on fish consumption and loss of habitat, among others. Downstream of the other four Great Lakes and the Niagara River, Lake Ontario is affected by many sources of water-borne contaminants as well as deposition from air pollutants. However the main source of pollution locally is stormwater runoff from six watersheds (from Etobicoke Creek in the west to the Rouge River in the east). The Toronto waterfront receives the washoff from over 200,000 hectares of agricultural, residential and industrial lands and a population of over 3,200,000 people.

Sanitary sewage receives treatment to strict standards before being released into the Lake. The older parts of the City are serviced with combined sewers that allow the release of some sanitary sewage mixed with stormwater directly to the Inner Harbour and the lower portions of the Don and Humber Rivers during rainstorms. Stormwater carrying road runoff, spills and litter is discharged directly to the rivers and lakeshore, in most cases without any treatment.

The near shore zone of Lake Ontario is the source of Toronto’s drinking water. Notwithstanding the impacts of pollution, the water is of good quality and, after filtration and disinfection, provides an abundant supply of high quality drinking water for the City. The supply is not likely to be jeopardized by climate change.

Background

After sewage treatment, the most important step to protect and improve water quality is the management of stormwater runoff. In 2003, Toronto adopted a Wet Weather Flow Master Plan and Wet Weather Flow Policy. The WWF Master Plan is intended to meet 13 ambitious objectives, however it was recognized that this would take a complete reconfiguration of the drainage system in the City and may take over 100 years and billions of dollars to accomplish.

Therefore a 25 year implementation plan was adopted to effectively control all discharges from combined sewers and control discharges from major stormwater outfalls. The 25 year plan was also intended to provide

swimmable beaches and protection from basement flooding due to storm events. Completion of the 25 year plan will address all of the issues that made Toronto an “Area of Concern” and should result in its removal from the IJC list.

Six major Environmental Assessment studies are nearing completion for capital works projects needed to improve water quality from Scarborough to Etobicoke. Most notable is the Don River and Central Waterfront Project, which will improve water quality in the Don River and the Inner Harbour by capturing and treating almost all of the stormwater from the older part of the City and deal with the remaining 51 combined sewer overflows (CSO) along the waterfront.

A primary focus of the plan is controlling stormwater at source in order to reduce the amount of discharges to the environment and improve the quality of the discharges. Therefore all new development in the City is subject to much higher standards for on-site management of stormwater. Wet Weather Flow Guidelines were published in 2007 to provide developers with minimum performance criteria for stormwater management. These criteria have been incorporated in the Toronto Green Standard. In urban areas where density is high and opportunities for rain water absorption are limited, meeting the guideline criteria may require installing Green Roofs or capturing and re-using rainwater on-site for irrigation or toilet flushing or other non-potable uses.

The implementation plan also contributes to the tree planting across the City and a land acquisition program to protect key parcels of land in the watershed from development.

As a result of stormwater and CSO projects built in the last 15 years across the waterfront, beach water quality conditions have been improving. The City operates 11 beaches, seven of which have achieved “Blue Flag” status. Blue Flag is an internationally recognized program to identify beaches with consistently good water quality, health and safety amenities and environmental stewardship.

Implications

Implementation of the Wet Weather Flow Master Plan involves increased level of effort (e.g. costs or innovative design) for both private and public sector development projects in order to manage their stormwater runoff. Improving water quality at Toronto’s Beaches and achieving Blue Flag status has raised the profile of the beaches as an amenity that needs focused attention as a recreational asset.

Although Toronto has the most impact on and is most directly impacted by near shore lake water quality, the governance of this water body is largely in the hands of the provincial and federal governments. Toronto has played a central role in the activities of the Great Lakes and St. Lawrence Cities Initiative to increase the role of city government in the management of this resource.

Current Status and Next Steps

- Toronto Beaches Plan adopted in 2009
- Progress report and next steps for the Wet Weather Flow Master Plan is due in early 2011
- The Don River and Central Waterfront Environmental Assessment (elimination of combined sewer overflows to Toronto Harbour) to be completed in 2011

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Water Meter Program

Issue

The City of Toronto is implementing a mandatory Water Meter Program (WMP) that will replace or install new water meters in every home and business in the City. This program will rollout over the next six years to provide a modern and more accurate water metering system for all Toronto Water customers.

The Water Meter Program will build new automated water meter reading infrastructure through the installation of 465,000 new water meters equipped with wireless transmission units and 250 data collectors that will be connected to the City's computer network. The program provides a more accurate and cost effective means of obtaining water meter readings for billing purposes in addition to improving customer service and promoting water conservation.

Background

In June 2008, City Council gave approval to proceed with the Water Meter Program at a cost of \$219 million and to begin negotiations with the selected vendor Neptune Technology Group Canada Ltd. An agreement was reached in December 2009 and the WMP began with setting up the data collection network and integrating the various systems into the City's water billing system. The first water meter installation took place in Ward 18 in May 2010.

The new water meters will be able to securely transmit consumption data remotely to data collection units across the city, which will then be securely transmitted to a central database, effectively eliminating the need for City staff to enter people's homes or property to obtain a water meter reading. The City of Toronto will see a return in revenue recoveries and operational savings as a result of the new meters. It will also help to improve water conservation and ensure fair and equitable billing for every Toronto Water customer.

Implications

The Water Meter Program will impact every resident, business and institution in the City of Toronto. Neptune Technology Group Canada Ltd., under contract to the City of Toronto, will be asking permission to enter every building in the City of Toronto to install a new water meter. As this program

is being rolled out on a ward by ward basis, Councillors will be notified in advance when the installations are to commence in their ward and be provided with a special Councillors package containing all the information needed to help answer constituent questions. A pamphlet or letter will be mailed to residents and businesses letting them know that the program is in their area and asking them to call 416-23-METER to book an appointment for the water meter installation.

Current Status and Next Steps

The new meters will be installed without additional charge and will roll out ward by ward, beginning in Ward 18 (Davenport) and Ward 28 (Toronto Centre-Rosedale). The roll-out plan first targets businesses and the 72,000 households that do not currently have a water meter (flat rate account customers), followed by customers who already have a meter in subsequent years.

Installations will continue until the end of 2015, with the program coming to an end with the last installations taking place in Etobicoke.

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Toronto York Water Supply Agreement

Issue

The City of Toronto sells water to York Region at an annual volume of approximately 80 billion litres, generating revenue of about \$23,000,000 annually. Approximately 20% of the drinking water produced in Toronto is sold to York Region. Some current and future water infrastructure capital projects to ensure a security of supply are also being cost-shared. This arrangement has been formalized in the 2005 Toronto-York Water Supply Agreement.

Background

In 1975, the former Municipality of Metropolitan Toronto, now the City of Toronto, began supplying water on a wholesale basis to the Regional Municipality of York under a tri-partite agreement entered into with the Region of York and the Province of Ontario.

Given the 20 year limitation for contracts under the Municipal Act, City of Toronto Council in 1998 approved execution of a 20-year agreement between the City of Toronto and Regional Municipality of York for the supply of additional water to York Region. This agreement provided for a maximum day supply to York of 440 million litres per day (ML/d) by the year 2005. This agreement included York's contribution to capital cost sharing of required Toronto water supply infrastructure expansion based on proportionate use and benefit, with York's contribution totaling \$103 M over 10 years based on the estimates made at that time.

At its meeting of July 27 – 30, 1999, City of Toronto Council approved the execution of a Water Supply Joint Optimization Study with the Region of York. The objectives of the study included updating water demand projections for Toronto and York to the year 2011 with further estimates to 2031, and the determination of the optimal infrastructure required to meet the demands, including assessment of the option for additional supply from Toronto to York.

In 2003, City Council was updated on the status of this Joint Optimization Study (JOS) and authorized an increase in the maximum day supply to York Region to 460 ML/d.

The JOS identified optimal infrastructure expansion requirements to meet future projected water demand in York and Toronto through to 2031. The

revised JOS modeling also identified an increase in York's capital cost sharing requirements from the previous estimate of \$103 M to just under \$232 M. Such projections provided for the system to meet Toronto's future water demands, and allow for an increase in the maximum day volume supplied to the Region of York from the previously approved 460 ML/d to 501 ML/d by 2011, and to a projected 530 ML/d by 2031. On this basis, York and Toronto staff recommended that a new agreement be entered into to include amendments to various aspects of the 1998 agreement that are beneficial to both parties.

City Council approved the amendments and a new 2005 Water Supply Agreement between the City of Toronto and Regional Municipality of York has been executed.

Implications

The supply of water to York Region and the associated cost-sharing of expanded infrastructure provide benefits to the City of Toronto in the recovery of operating costs, reduction in capital costs due to economies of scale, and enhancement to the security of supply through the construction of larger capacity infrastructure. The 2005 Agreement reflects updated JOS demand projections and future infrastructure expansion requirements that assure further capital investment in Toronto's water system in order to provide the capability to meet future demands to the year 2031 within Toronto and York while maintaining competitive wholesale rates.

Highlights of the agreement are as follows:

- The length of the agreement is 20 years, with termination on May 31, 2025;
- York's contribution to cost shared projects was estimated at \$232 M in 2005 based on infrastructure requirements identified by JOS;
- The maximum demand day supply limit is 501 ML/d by 2011 and projected to be 530 ML/d by 2031;
- The formula components for the determination of each year's water rate for York includes the City's Water Treatment & Supply Division's operating costs, electrical cost operating surcharge, return on investment (based on a 5-year rolling average of Toronto's cost of capital), and a replacement allowance;

- Each party shall maintain their respective distribution networks in good working order to industry standards with the objective of minimizing stresses on the systems considered together. There may be reductions in water supply occasionally by the need for repair or maintenance, and both parties are required to consult with one another; and
- Both parties are required to maintain water quality which complies with Safe Drinking Water Act standards.

Current Status and Next Steps

There are quarterly meetings held between Toronto and York staff to discuss agreement-related matters including the progress of cost-shared projects.

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Expansion of the F.J. Horgan Water Treatment Plant

Issue

Toronto and York signed a Water Supply Agreement (March 2005) that established additional infrastructure details, schedule of implementation and specific capital cost sharing arrangements among other clauses of an overall agreement to provide potable water to York Region.

The largest and most complex capital project of the agreed to capital improvements plan is the expansion of the F.J. Horgan Water Treatment Plant from a capacity of 570 ML/day to 800 ML/day. Total value of the construction aspect of the expansion project is approximately \$215M (including contingencies) over a construction schedule of 30 months. Construction started in March 2009 and is presently on schedule and on budget.

Background

The Joint Optimization Study (2004) established water treatment and supply infrastructure improvements to sustain project water demand requirements for both the City of Toronto and York Region to 2031. In 2005, the Toronto-York Water Supply Agreement was established reflecting the JOS demand projections and future infrastructure expansion requirements to the year 2031.

Construction of the F.J. Horgan plant expansion was awarded to Alberici Constructors, Limited (ACL) in December 2008. The total contract value is \$179,332,263.24 plus \$36,000,000.00 in contingency allowance exclusive of GST.

The expansion design has incorporated state-of-the-art treatments systems for disinfection and taste & odour control in addition to significantly improving energy efficiency of major pumping units. Environmentally responsible initiatives have been incorporated into building design which includes a green roof and the incorporation of power generation capacity (10 Megawatts) to maintain the integrity of service and to position Toronto Water to take advantage of energy rebate programs such as the DR3 Program sponsored by Ontario Power Generation.

Separate contract awards for pre-purchased equipment (ozone generators, associated equipment, specialized services, etc.) and additional engineering services during construction were also approved in late 2008.

Implications

There are inherent risks in managing a complex construction project that is connecting to an existing facility that remains in production without impacting water quality or service levels. Planned outages for major process connections are identified in collaboration with York Region and measures are being taken to mitigate against service interruptions in the eastern part of the City of Toronto and parts of York Region.

The high construction value of the expansion project has resulted in this single project consuming a large portion of Toronto Water's Capital Works budget. It is not possible to adjust or extend cash flow projections without incurring significant construction cost increases for this project as contracts have been executed.

Current Status and Next Steps

The expansion project is currently on budget with the majority of high risk excavation and underground work completed. The construction schedule has been extended by approximately 2 months due to a variety of delays. Of note, however, is that construction continued with minor impacts during the 2009 labour disruption.

Most of the critical equipment needed at the plant has been delivered and as such the risk of schedule delays related to late equipment deliveries has been significantly reduced. Negotiations are currently underway with Enbridge in order to secure a natural gas supply feeder to sustain power generation of 10 Megawatts (14 Megawatts in the future) in time for plant commissioning in late 2011.

Negotiations are currently underway with Toronto Hydro with respect to future load demand projections and the potential need to sign a new Offer to Connect agreement.

To date, the construction activities have not impacted water quality. There have been few service delivery problems as the impacts have been minimized. However, major plant shut downs are planned for the fall of 2010 and the spring of 2011 to make critical process connections to the transmission system. During this time, water supply demands for the City and York Region will be provided from the three other City water treatment plants.

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Water Efficiency Plan Update: 2011 to 2025

Issue

The City's current Water Efficiency Plan sets out a number of targets and initiatives to be completed from 2001 to 2011. Toronto Water is developing an update for the Water Efficiency Plan for the next 15 years from 2011 to 2025. The update is to evaluate the effectiveness of the original plan and to revise population, employment and water demand projections such that water efficiency strategies accurately reflect the City's long-term water efficiency goals and water supply requirements.

Background

The purpose of the Water Efficiency Plan was to reduce water consumption by 15% below the anticipated 2011 demand in order to delay the requirements for infrastructure expansion. This would be achieved through the implementation of a set of sector specific (municipal, residential, industrial, commercial, and institutional) programs, together with financial incentives offered through Toronto Water. The sector specific programs include: identifying water losses and system leak detection; toilet and clothes washer replacements; indoor and outdoor water audits; capacity buy-back; and review of municipal water use.

The City of Toronto's Water Efficiency Plan (WEP) was approved by City Council at its meeting on February 4, 5 and 6, 2003. Recently, the Province of Ontario has proposed the Water Opportunities and Water Conservation Act. This Act, if passed, would promote water conservation by encouraging Ontarians to use water more efficiently and would strengthen sustainable municipal water planning.

The Province has also committed to protecting and managing the waters of the Great Lakes-St. Lawrence River Basin through agreements that set a common standard for decisions about proposed water uses, known as The Great Lakes Charter Annex agreements.

Implications

The existing Water Efficiency Plan's overall objective is to achieve net water consumption reductions, to derive "in-system" capacity to support the projected population and employment growth to the year 2011, and thereby deferring the need for expensive water and wastewater infrastructure expansions.

An update of the Water Efficiency Plan is required to ensure that the “in-system” capacity continues to be able to support the population and employment targets set in the City’s Official Plan. At the same time, water efficiency programs implemented in the existing Water Efficiency Plan need to be reviewed and new water efficiency programs as well as targets and implementation schedules need to be reviewed.

The Water Efficiency Plan Update will set out updated targets, water efficiency programs as well as implementation schedules for the next 15 years to ensure the City’s adequate water supply and be compliant with the proposed Water Opportunities and Water Conservation Act.

Current Status and Next Steps

A major focal point of the update is the incentive/rebate programs that are offered for both residential and industrial-commercial-institutional sectors. Incentive programs in place include toilet and washer replacement rebates, Summer WaterSaver visits, Spray ‘n’ Save in partnership with Enbridge, and Capacity Buyback programs. A number of educational and outreach programs are also active which promote water conservation and efficient water use behaviours.

Operational programs are currently being studied to identify potential water demand savings within the City of Toronto. The City completed a Water Loss Assessment and Leak Detection Study in 2008 and has begun to develop a City Wide Water Loss and Leak Detection Strategy based on the study recommendations. Further to the study, a pilot program was initiated by Toronto Water and Parks, Forestry and Recreation to complete water audits on selected facilities to encourage the implementation of water efficiency programs. Toronto Water continues to work with all City Divisions to promote efficient water use throughout the City.

The report for the updated Water Efficiency Plan is expected to be submitted to City Council for review and approval in 2011.

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Recent and Emerging Water and Wastewater Provincial Regulations

Issue

The provision of water and wastewater services in Ontario continues to experience increased legislative and regulatory reform. In the post-Walkerton period, greater attention has been paid to drinking water quality and there has been increased provincial oversight. These regulatory changes have resulted in both operating and capital budget pressures for Toronto Water over the past several years.

Background

The following provides a summary of the key provincial regulations and changes in recent years.

Safe Drinking Water Act

The Act expands on existing policy and practice for water testing for the protection of human health and the prevention of drinking water health hazards. Regulations passed under the Act require municipalities to publish annual reports describing the operation of the water system and the results of testing required to ensure that residents are provided with safe drinking water.

- **Ontario Regulation 170/03 under the 2002 Safe Drinking Water Act** came into effect to reduce the potential for elevated levels of lead in drinking water at the tap. Under the new regulations, municipalities are required to conduct a community lead testing program and take corrective action for adverse results. This regulation accelerates the replacement of thousands of lead water service connections throughout Ontario.

Environmental Protection Act

This is the primary legislation for regulating emissions to land, air and water in Ontario.

- **Ontario Regulation 419/05** - Section 14(1) of the Ontario Environmental Protection Act prohibits discharges of contaminants into the natural environment that may cause an “adverse effect” (which includes interference with the use and enjoyment of property),

regardless of regulatory compliance. Contravening section 14(1) can lead to MOE orders, investigations, prosecutions and large fines.

Nutrient Management Act

The Nutrient Management Act and its Regulation 267/03 address land-applied materials containing nutrients. This includes provisions for the development of strong new standards for all land-applied materials, a proposal to ban the land application of untreated septage over a 5-year period, and proposed strong new requirements such as: the review and approval of nutrient management plans; certification of land applicators; and, a new registry system for all land applications.

Clean Water Act

This Act provides protection for municipal drinking water supplies through developing collaborative; locally driven; science-based protection plans by municipalities; conservation authorities; and, the public. The Act has recently been approved and regulations under the Act may have an impact on the implementation schedule of the Wet Weather Flow Master Plan. Further, the financial impact associated with the development of Source Water Protection Plans across the City's 6 watersheds and Lake Ontario is not known at this time.

Sustainable Water and Sewage Systems Act

This Act will make it mandatory for municipalities to assess and cost-recover the full amount of water and sewer services, as recommended in the Walkerton Report. The implementation schedule for the Act and regulatory framework has not been determined; 7 years after the Province passed the Act in 2002. However, it is currently anticipated that the municipal reporting requirements may include a full cost of service report and cost recovery plan report. This Act may have a significant impact on the 2011-2019 Capital Plan; however, the regulations could also affect the structure and balance requirements for capital reserves.

Canada-Wide Strategy for the Management of Municipal Wastewater

This Strategy, which was endorsed by the Council of Ministers of the Environment (CCME) on February 17, 2009, sets out a harmonized framework to manage discharges from more than 3,500 wastewater facilities in Canada, many of which are currently in need of repair and upgrading. It provides an agreed-upon path forward for achieving regulatory clarity for owners of municipal wastewater facilities. Performance standards will increase protection for human health and the environment on a national basis. Bilateral agreements between the federal government and provinces and territories will ensure one-window regulatory delivery of the strategy.

The strategy will be used by the Ontario Ministry of the Environment to establish new regulations and guidelines.

The full financial implications arising from the new and emerging provincial government legislation is not known at this time. Toronto Water has included project costs in the 2011-2019 Recommended Capital Plan based on current information, where possible. Funding for legislative projects is expected to increase significantly in future years as regulations governing water and wastewater services continue to evolve.

Ontario Green Energy and Green Economy Act, 2009

The province of Ontario's recent Green Energy and Green Economy Act (GEGEA) aims to establish Ontario as a leader in North America in building renewable energy generation facilities, encouraging energy conservation and creating green jobs. The Act has the potential to affect wastewater treatment, in particular to encourage the conversion of residual solids into energy and reducing the need for land application of biosolids. "Renewable energy source" will be defined broadly as "an energy source that is renewed by natural processes and includes wind, water, biomass, biogas, biofuel, solar energy, geothermal energy, tidal forces," although the regulations may narrow or broaden this definition. It remains an open question whether sewage biosolids will qualify as a renewable energy source. A key feature of the GEGEA is the feed-in tariff (FIT) program, which will give renewable energy generators the right to connect to the grid, so long as regulatory requirements are met.

Ontario Environmental Assessment Act

The purpose of this Act is the betterment of the people of the whole or any part of Ontario by providing for the protection, conservation, and wise management in Ontario of the environment. This act is a guiding piece of legislation that impacts Toronto Water as it manages wastewater, conserves its wetlands and beaches, and manages municipal water consumption and water reuse.

Water Opportunities Act, 2010

The proposed Water Opportunities Act, 2010 includes the establishment of a regulation-making authority that may require municipal water sustainability plans that would establish performance indicators and targets for municipal water, wastewater and stormwater services. Through this regulation it's proposed that municipal water sustainability plans would be required and include an asset management plan, a financial plan, a water conservation plan, strategies for maintaining and improving the service, a risk assessment

and other prescribed information. The Act also includes a regulation-making authority that may require prescribed information on municipal water bills to promote transparency. As well, if passed, it may require the Minister to communicate progress on provisions in the Act by reporting at least every three years. As result of this new legislation reporting requirements for municipalities will be significantly increased.

Implications

The Safe Drinking Water Act (SDWA) and Standard of Care

The Safe Drinking Water Act, 2002 (the Act) is part of the Ontario Ministry of the Environment's framework for protecting drinking water safety and quality. The Act regulates the treatment and distribution of drinking water including requirements for: drinking water systems; licensing of municipal drinking water systems; drinking water testing services; certification of drinking water system operators and water quality analysts; financial plans for drinking water systems; and drinking water quality standards.

A new requirement is being included in the SDWA called the Statutory Standard of Care and comes into force on January 1, 2013. It requires the owner of the municipal drinking water system and every person who oversees the operating authority of the system or exercises decision-making authority over the system to: exercise care, diligence and skill in respect of the drinking water system; and act honestly, competently and with integrity to ensure the protection and safety of the users of the municipal drinking water system.

Failure to carry out this duty is an offence under the Act and could result in prosecution of an individual, a corporation, or both. As a result of this new legislation, enhanced training will be required to ensure Toronto Water meets this new regulation.

Mandatory Training and Workforce Demographics

Toronto Water has two other key areas of concern. First, providing safe drinking water and wastewater services in a highly regulated area requires ongoing training and certification of staff especially with changing regulations. Toronto Water has an extensive training program in place and needs to continue to ensure it meets all requirements of the regulations including a well-trained and certified workforce. Secondly, as with many organizations, Toronto Water has an aging workforce and over the coming years will need to fill many positions ranging from trades to engineers to senior management. There is a succession plan in place, however, we must

be able to continue to hire, promote and train staff in order to meet our regulatory requirements.

Current Status and Next Steps

Ongoing review of legislative changes, including the necessary changes to annual capital and operating budgets and mandatory staff training, to ensure Toronto Water continues to be compliant with all regulations.

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70% Waste Diversion Rate

Issue

Continued expansion and implementation of diversion initiatives required if the City is to meet a waste diversion goal of 70%.

Background

In June 2007, Council approved a new plan to achieve a goal of 70% solid waste diversion from landfill. The City's residential waste diversion rate was 44% in 2009 and is expected to be 47% in 2010.

The major initiatives in the 70% diversion plan include:

- Source Reduction Initiatives
- Green Bin Organics in Apartments/Condos
- Behavioural Change through Education and Financial Incentives
- Enforcement of Mandatory Diversion By-Law
- New Materials for Recycling
- Improved Recycling Capacity
- Reuse/Disassembly of Durable Goods for Recycling
- Townhouse Collection
- Biological/Physical Processing of Mixed Waste

Implications

Major initiatives of the 70% diversion plan are:

- **Source reduction initiatives:** including the plastic retail shopping bag by-law and advertising campaigns aimed at changing the purchasing behaviour of residents (e.g., choosing products with less packaging). Other in-store packaging initiatives possible under COTA will need to be pursued. For example, retailers could be required to provide customers who purchases hot drinks in reusable or refillable mugs a discount, or foodservice retailers could be required to develop a reusable, refillable takeout food container, or service which allows customers to choose a reusable packaging option.
- Approximately 8% of multi-residential buildings (324 buildings/66,000 units) now have **source separated organics** (Green Bin) collection. The remaining buildings are scheduled to be added to the program over the next several years.

- Introduction of a **volume-based rate structure** for residential solid waste services to provide waste generators with a financial incentive to reduce the amount of waste they dispose of has been completed.
- The volume-based rate structure for waste has resulted in behavioural changes for residents to **maximize use of Blue Bin and Green Bins** and therefore, it has not been necessary to hire additional by-law officers to enforce the mandatory diversion by-law.
- Plastic grocery bags and foam polystyrene have been added to the **Blue Bin recycling program**. Additional materials will be added as viable recycling markets become available.
- To increase recycling container capacity for households, **Blue Recycling Carts** have replaced Blue Boxes. Provision of in-unit recycling containers to increase the recovery of recyclable material in multi-unit residences is also complete.
- A **reuse centre** is currently in operation for the reuse, disassembly and recycling of electronics and other durable goods. Additional reuse centres are required. Separate collection of electronics for recycling is now available to all single-family households and multi-residential buildings.
- Implementation of door-to-door, curbside collection, Blue Bin recycling and Green Bin **collection for townhouses** including the purchase of smaller collection vehicles to service these customers is complete.
- The City is planning the construction of a **mixed waste processing facility** on City owned lands adjacent to the Green Lane Landfill to recover resources from mixed residual waste. The facility will need to be constructed and operating if the City is to meet its diversion goal.

Current Status and Next Steps

Solid Waste Management Services is currently undertaking a program and policy evaluation of the 70% Target strategy to ascertain the operational, financial and legislative challenges and opportunities associated with the strategy.

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Waste Diversion Act

Issue

The Ontario *Waste Diversion Act, 2002* (WDA) is currently under review by the Province with a vision of moving towards full extended producer responsibility for all designated waste materials.

Background

The WDA allows for the implementation of extended producer responsibility (EPR), an environmental policy approach that requires the producers of products and packaging to bear the physical and/or financial responsibility for ensuring those products and packaging are properly managed as waste at the end of their life cycle.

The WDA established Waste Diversion Ontario (WDO), a non-crown corporation, to develop, implement and operate waste diversion programs for waste materials designated by the Minister of the Environment through legislation. WDO is required by the WDA to work cooperatively with an Industry Funding Organization (IFO) to develop the waste diversion programs.

The Waste Diversion Ontario Board is comprised of 14 members representing industry stewards, municipalities, non-governmental organizations, academics and the Ministry of Environment. The General Manager of Solid Waste Management Services represents the City of Toronto on the Board.

To date four diversion programs have been established, or had industry funding established through the WDA – the Blue Box program, the Municipal Hazardous or Special Waste (MHSW) Program, the Waste Electrical and Electronic Equipment Program (WEEE) and tires. Through these programs, municipalities receive up to 50% of their net Blue Box costs and the majority of their costs to manage designated MHSW, WEEE and tires.

The Minister's report on the review of the WDA was posted on the Environmental Registry and the City submitted its formal comments by the deadline of January 11, 2010.

Implications

The City supported the proposal in the Minister's report to make individual producers fully and financially responsible for ensuring that their share of all designated materials sold in the Ontario marketplace are diverted from waste in both the residential and IC&I sectors.

The City supported the designation of all packaging and printed paper sold in the Ontario marketplace for inclusion in the program. Industry stewards should be financially responsible for all printed paper and packaging regardless of whether they are disposed in the recycling, litter, organics or waste streams. This would translate into 100% industry funding for all printed paper and packaging in the City's Blue Bin program as well as the management of printed paper and packaging remaining in the garbage, litter and Green Bin streams.

There would also be significant savings to the City if there was 100% industry funding for the diversion of other types of materials such as mattresses, carpets, furniture and clothing, which the City proposed in its comments.

The City supported the concept of allowing flexibility for producers in how a program is established, designed and operated, as long as it is not at the expense of consumer convenience, accessibility to the recycling program and does not compromise current diversion program success.

The City supported flexibility for municipalities to have an opportunity to participate in the planning and operation of the new system, if they so choose and that during the transition phase to a full extended producer responsibility system, municipalities should be reimbursed for 100% of their costs (e.g., Blue Bin program).

Problems with "Eco fees" associated with the launch of the expanded Municipal Hazardous or Special Waste Program Plan on July 1, 2010 have compelled the Province to postpone the program to later this year for revision.

Current Status and Next Steps

The City's and other stakeholders' comments on the WDA review are being considered by the Minister of Environment. Once the Minister decides what changes it would like to make to the WDA, new legislation would have to be drafted and posted on the Environmental Registry for consultation. The proposed legislation would then have to be debated through the Legislative

and Committee hearings prior to receiving approval and Royal Assent. It is anticipated that it could be at least two to three years before changes to the WDA take effect. Plans for various City diversion programs are on hold until the Minister's decision is rendered.

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Biosolids Management

Issue

The City of Toronto manages sewage waste generated from 2.6 million residents and industries. Sewage waste arriving at one of four wastewater treatment plants within the City is captured, separated into liquid and solid streams and physically and biologically treated. The clean liquid is discharged back into the lake while the resulting solid material is further processed (called "biosolids") and managed through individual plant strategies.

The City generates approximately 200,000 wet tonnes of biosolids annually that must be managed through a variety of beneficial use, disposal and incineration options.

City Council adopted a Biosolids Master Plan (BMP) in 2009, which contained strategies for each of the four Wastewater Treatment Plants, including the implementation of a highly diversified biosolids management program at the Ashbridges Bay Treatment Plant (ABTP). A recent Council direction regarding the Highland Creek Treatment Plant (HCTP) is contrary to the BMP and the feedback obtained by the local community. Staff are reviewing all of the implications of the recent Council decision.

Background

Biosolids Master Plan

In December 2002, as part of the City Council directive for 100% beneficial use of biosolids at the Ashbridges Bay Treatment Plant (ABTP), Toronto ceased the incineration of biosolids at this site.

At the same time, the City commenced developing a Biosolids and Residuals Master Plan (BRMP) to provide direction on the future management of biosolids and water residuals generated by the City's water and wastewater treatment plants to the year 2025.

The BRMP was undertaken in accordance with the Class Environmental Assessment process as defined in the *Environmental Assessment Act*. A draft of the BRMP was released for 30-day public comment on September 16, 2004. The public comment period was subsequently extended by the Works Committee.

Due to concerns regarding the biosolids management strategies for the Ashbridges Bay Treatment Plant recommended in the draft BRMP, the Works Committee directed the General Manager of Toronto Water, together with the Medical Officer of Health, to undertake a peer review of the BRMP decision-making model and methodology used to assess the various biosolids management options.

An independent panel chosen with the help of an independent facilitator concluded that the decision-making model used in the draft BRMP was a reasonable model commonly used in Master Plans and Environmental Assessments. The panel report recommended some improvements that could be made to the decision-making process in order to provide better transparency and more clarity to the Master Plan.

A Terms of Reference, to update the BRMP, was prepared taking into account the comments and recommendations made by the Peer Review Panel. The updated Master Plan was completed in October 2009 and made available for further public comment. The document recommended the following strategies for each of the four Wastewater Treatment Plants:

Treatment Plant (TP)	Recommended Strategy	Rationale and Benefits of Strategy
Highland Creek (HCTP)	<ul style="list-style-type: none"> • Maintain existing biosolids management strategy (incineration) and replace with energy efficient fluidized bed incinerators. • Upgrade to new state of the art scrubbing technology and include energy recovery to offset plant utility costs. 	<ul style="list-style-type: none"> • Residents in areas surrounding HCTP oppose biosolids truck traffic through the community and support incineration. • Existing incinerators are approaching the end of their service life (estimate 5 – 10 years useful life left). • Recommended solution makes use of existing infrastructure already in place at the plant. • New incinerator and scrubbing technology offers cleaner, more cost efficient and more reliable performance than is currently achieved.
Ashbridges Bay (ABTP)	<ul style="list-style-type: none"> • Continue operation of the Pelletizer Facility. • Maximize beneficial use through a variety of outlets. • Use Green Lane landfill and other landfills as a contingency measure. 	<ul style="list-style-type: none"> • Makes use of infrastructure already in place. • No immediate construction or capital funding required. • Opportunity to seek competitive bids and negotiate long-term pricing for alternate beneficial use and disposal options can provide better cost predictability. • Long-term contracts ensure a more

		<p>reliable program with less service interruptions.</p> <ul style="list-style-type: none"> • Consistent with the City's long-term vision of the waterfront.
North Toronto (NTTP)	<ul style="list-style-type: none"> • Continue to discharge liquid biosolids into the sanitary sewer system for management at ABTP. 	<ul style="list-style-type: none"> • NTTP has a small footprint and is not easily accessible therefore capital costs to implement a separate management option at this facility are prohibitive. • Biosolids volumes are small and only add 2% to the amount to be managed at ABTP.
Humber (HTP)	<ul style="list-style-type: none"> • Continue to discharge liquid biosolids into the sanitary sewer system for management at ABTP. 	<ul style="list-style-type: none"> • Takes advantage of existing infrastructure and past capital investments at HTP and ABTP. • Capacity of digestion and dewatering process at ABTP already exists. • Space at Humber Treatment Plant is limited for any new biosolids treatment/handling facilities.

In 2009, City Council approved the Biosolids Master Plan (BMP) recommendations for Ashbridges Bay, Humber and North Toronto Treatment Plants. BMP recommendations for Highland Creek were not approved.

In January 2010, the Public Works and Infrastructure Committee (PW&I) directed staff to report back on the best available air emission control technologies for the Highland Creek incinerator option, feasibility of accelerated implementation, and rail and waterfront road options for haulage of biosolids off site.

A staff report in March 2010 to the PW&I Committee confirmed that an accelerated implementation of new fluidized bed incinerators would produce overall cost savings, part of which could be used to fund enhanced emissions scrubbing technologies beyond that required by provincial regulations. Furthermore, the report examined the haulage of biosolids off site by either constructing a new dedicated rail line or a waterfront haul road (in order to keep biosolids trucks out of the neighbourhood immediately surrounding the wastewater plant). The report concluded that the two haulage options appear neither technically nor economically feasible.

Contrary to the recommendations of the BMP, in June 2010 City Council adopted the Beneficial Use Option for Highland Creek, along with Landfill Disposal as a contingency option, and directed staff to implement a beneficial use biosolids management strategy. Council further directed the route that biosolids trucks would take to leave the plant. Staff are assessing

the impact of selecting an option that is contrary to the recommendations of a Master Plan that followed the Environmental Assessment process and included extensive public consultation with the community surrounding the facility.

Highland Creek Treatment Plant

Currently, biosolids generated at the Highland Creek Treatment Plant are managed using two 35 year old multiple hearth incinerators. The resulting inorganic non-hazardous ash is stored onsite and hauled once annually over the course of several days to the City's Green Lane Landfill site.

During the preparation of the BMP update, these incinerators were found to be in urgent need of repair to ensure continued safe operation within applicable regulatory standards. Staff immediately commenced the development of major maintenance and refurbishment work of these incinerators, which is currently underway. This work is needed to extend the service life of the facility for up to 10 years during which time a new permanent solution (either new fluidized bed incinerators or a beneficial use/disposal haulage program) would need to be developed and implemented.

Ashbridges Bay Treatment Plant (ABTP) – Pelletizer Facility

As part of the move to 100% beneficial use for ABTP, the City, in 1998 commenced development of a Pelletizer Facility to convert biosolids to fertilizer pellets. A design-build contract was awarded to USF Canada Inc (now known as Veolia) in April 1999.

In August 2003, during the final commissioning stage of the Pelletizer Facility, a fire severely damaged the facility rendering it inoperable. Reconstruction of the Pelletizer Facility commenced in mid-2005 and the facility was to have been ready for Secondary Testing by July 2007. During this time, biosolids cake that would have been processed by the Pelletizer Facility were redirected to the Carleton Farms Landfill in Michigan, owned and operated by Republic Services.

On May 31, 2006, Republic Services declared that effective August 1, 2006, they would no longer accept biosolids at the Carleton Farms Landfill in breach of Republic Services' agreement with the City.

Immediate actions authorized by Council were taken to protect the City's interests and to implement emergency measures. As a result, in July and August 2006 the City entered into sole source contracts with a number of

service providers to secure the disposal and/or beneficial use of approximately 160,000 wet tonnes of biosolids cake generated at the ABTP annually.

In anticipation of the start of Secondary Testing of the Pelletizer Facility, Council, in July 2007, approved the execution of an Operations, Maintenance and Marketing (OM&M) Agreement with Veolia – in effect outsourcing the operation and maintenance of the facility as well as the marketing of pellets.

Veolia experienced difficulty commissioning the facility to the original contracted performance targets. To facilitate the completion of the facility, the City and Veolia negotiated an Amendment Agreement which set more modest performance targets. The Amendment Agreement was approved by Council on August 5 and 6, 2009 and executed in September 2010. Since January 2008, the Pelletizer has been operating on a near continuous basis and has processed approximately 101,000 wet tonnes of biosolids. Production volumes achieved so far in 2010 are significantly better than expected. Overall, reliability issues and frequency of major shutdowns require full time backup contingency measures.

Republic Services Inc.

As a result of Republic Services' unilateral decision to stop accepting the City's biosolids for disposal at the Carleton Farms Landfill in Michigan, effective August 1, 2006, the City has commenced arbitration proceedings against Republic claiming, among other things, damages in the amount of \$30 million resulting from Republic's breach of its obligations to dispose of the City's biosolids (the "Arbitration"). The City is represented in the Arbitration by the external law firm, Borden Ladner Gervais LLP. The Arbitration has proceeded to the discovery stage with examinations of the parties scheduled to commence in November 2010. To date, pleadings and volumes of related documents have been exchanged between the parties. Subject to any unforeseen developments arising, it is anticipated that the Arbitration hearing itself will be held in the spring 2011.

Implications

The Biosolids Program requires active management to ensure continuous removal of biosolids from the City's wastewater treatment plants. This is necessary in order to ensure operation of the wastewater treatment plants is maintained within regulatory compliance and to mitigate risk of environmental impacts to Lake Ontario.

Current Status and Next Steps

The ABTP Biosolids Program is actively managed and subject to frequent and unforeseen impacts. Toronto Water continues to look for opportunities to divert greater quantities of ABTP biosolids from landfilling to beneficial use. Additional service providers are being sought to mitigate risks associated with loss of existing service contracts.

The implication of Council direction with respect to the Highland Creek Treatment Plant is being assessed by Toronto Water and the City Solicitor. The community immediately surrounding the plant, as represented by the Local Neighbourhood Liaison Committee, continues to actively lobby for a reversal of the Council decision to haul biosolids through their community. They remain in favour of incineration and want the facility to be upgraded with modern Fluidized Bed incinerators and state of the art emissions scrubbers as recommended by the Biosolids Master Plan. They remain opposed to biosolids haulage trucks driving through the community.

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Green Bin Organics Composting

Issue

Adequate processing capacity is required to ensure the success of the City's Green Bin program and future mixed waste processing plans.

Background

The City's residential Green Bin program currently collects approximately 110,000 tonnes of organic waste annually. In addition, 10,000 tonnes of organic waste are collected through the City's commercial organics collection program annually.

Approximately one-third of the City's Green Bin organics are processed at the City's Dufferin Organics Processing Facility; the remainder is processed at private composting facilities.

Implications

During the summer of 2010, the Ontario Ministry of the Environment (MOE) issued orders for the temporary closure of 2 large composting facilities in Ontario (Orgaworld and Universal Resource Recovery) to address odour concerns. This action directly affected the City, which delivers material to these facilities. Consequently, composting processing capacity in Ontario, which is currently limited to begin with, was reduced and the City had to make alternate arrangements to manage its Green Bin material to avoid sending material to landfill.

Both Orgaworld and Universal Resource Recovery have addressed the odour concerns at their sites and have since re-opened.

In an effort to be self reliant in processing Green Bin material, the City is proceeding with the construction of a new composting processing facility at the Disco Road Transfer Station and the repair and expansion of the existing operation at the Dufferin Waste Management Facility. This will result in City owned capacity of up to 130,000 tonnes per year. A third anaerobic digestion facility in the north-east part of the City is also under consideration. If constructed, the City would be 100% self-sufficient for Green Bin processing within our boundaries.

The City is also investigating the construction of a Mixed Waste Processing Facility that will divert 75,000 tonnes per year of recyclable and compostable materials from the residential mixed waste stream. The proposed anaerobic

digestion facility will produce a "compost like material" intended to be land applied for beneficial use. Staff are currently developing a Request for Proposal that will select a preferred vendor to construct the mixed waste facility on City owned land adjacent to the Green Lane Landfill Site or on a privately owned property secured by the preferred vendor.

Current Status and Next Steps

Solid Waste Management Services' staff expect to be in a position to provide single-family residents with a "next generation" Green Bin in late 2012. The bin will provide greater capacity for residents than the current Green Bin and will allow for automated collection which will improve collection efficiencies.

Changes to the MOE's current guidelines for composting facilities and compost use in Ontario are required if the City's proposed mixed waste processing facility is to be successful. The MOE has released draft changes to the guidelines, which include the creation of 3 different acceptable composting standards. The City has stated its support of the proposed guidelines as they allow for greater diversion of organics from the waste stream, particularly from mixed waste processing facilities, while ensuring quality standards for three separate grades of finished compost.

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The New Zoning Bylaw

Issue

The new city-wide Zoning Bylaw provides an opportunity for better and faster responses to requests for zoning information. With one bylaw, any staff member can be contacted for zoning inquiries. It should also result in greater consistency of interpretation across the City. The various zone standards within the Bylaw recognize the unique qualities of the City's diverse neighbourhoods and their characteristics.

Background

The amalgamated City of Toronto inherited 43 comprehensive zoning bylaws from its former municipalities, 34 of them in Scarborough. The process of creating the new Zoning Bylaw started in 2003 with the comparison of all existing zoning bylaws, section by section – in this manner, the new Zoning Bylaw is a reflection of the existing zoning bylaw standards. Some aspects of the existing zoning regulations were changed. These changes are outlined in the accompanying staff reports to the Planning and Growth Management Committee starting in April 2009 through to August 2010.

Approximately 1.4% of properties in the city have been left out of the new Zoning Bylaw. These properties were not included based on a "transition protocol" established at the outset of the new Bylaw consultation. An outstanding Site Plan Approval application applying to a property was the most common reason for leaving properties out of the new Zoning Bylaw. For such properties, the existing zoning bylaws continue to apply and are not repealed because of the new Bylaw. There is no need to repeal them as the new Zoning Bylaw is applied as a 'layer' over top of the old bylaws. This method is useful should the new Zoning Bylaw be revoked in a challenge as the old zoning bylaws would continue to apply.

Implications

The key to a single Zoning Bylaw is its language. The "common language" of a single Zoning Bylaw will allow for more effective response to inquiries and more efficient use of staff resources. While the "language" is the same across the city, the various zone standards of each neighbourhood are retained. That means the unique qualities of Toronto's many neighbourhoods are recognized through the different zone requirements. Despite most of the existing zone standards remaining the same, the fact they have been reviewed and retained will strengthen the argument for maintaining their

intent with respect to Committee of Adjustment applications and appeals to the Ontario Municipal Board.

The new Zoning Bylaw will be available over the internet. This will allow residents and designers to see and understand the Zoning Bylaw requirements without having to phone or visit City Hall or District Offices. The new Zoning Bylaw is written in clear and plain language which means zoning information will be easier to understand as well as quicker to provide.

Current Status and Next Steps

There are 694 appeals to the new Zoning Bylaw. The great majority are site specific issues that should not affect the eventual approval of the Bylaw. Until the new Zoning Bylaw is approved by the Ontario Municipal Board, the Chief Building Official will be applying both the old and the new zoning bylaws. This is standard procedure in the passing of a new Zoning Bylaw for two reasons. The new Zoning Bylaw takes effect on the day it was passed according to the Planning Act. The fact that it has been appealed is of little consequence since the new Zoning Bylaw once approved by the OMB applies retroactively to the day it was passed. As a precaution, both the old and new zoning must be complied with in this interim period. This may mean a slightly longer zoning review period during this time.

Insofar as the Committee of Adjustment is concerned, variances will be needed for both the old and new zoning regulations during the interim period. Staff are preparing reviews to both old and new zoning bylaws for this purpose. With site specific zoning bylaw amendment applications, a similar approach will be taken. Both the old and the new zoning bylaws will be amended initially until the new Zoning Bylaw is in full force and effect after the OMB hearing.

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Toronto Sign By-law and Third Party Sign Tax

Issue

In December 2009, Council adopted the recommendations of the report “New Sign Regulation and Revenue Strategy for the City of Toronto,” which included a new sign by-law for Toronto, processes for administration and enforcement of the by-law; the introduction of a new tax on third-party signs; and the establishment of a new organizational unit to administer and enforce the regulations for permanent signs on private property across the city.

Background

New Sign By-law

Prior to April 6th, 2010, there were six comprehensive sign by-laws and close to 100 amendments, all containing separate definitions and/or regulations for signs. The new Sign By-law contains one common, updated set of definitions and regulations for the city. As a way to ensure that appropriate regulations are applied to the various properties across the city, the new Sign By-law has created Sign Districts and Special Sign Districts. These Sign Districts and Special Sign Districts conform to the vision for the city as outlined in the Official Plan and respect the unique characteristics of certain neighbourhoods.

Many signs in Toronto are within close proximity to residential or natural areas. The Sign By-law contains regulations which protect those areas. These regulations include standards for the maximum level of illumination of a sign, prohibiting signs from spilling light onto adjacent properties and the requirement that illuminated signs be shut off between the hours of 11 p.m. and 7 a.m.

Toronto is a dynamic city with communities and neighbourhoods that are constantly evolving. As a result, the Sign By-law now contains a five-year renewal requirement for all third-party signs to allow for signage to change as the surroundings evolve. Third-party signs may continue to operate beyond the original five years, if they continue to comply with Sign By-law regulations.

The Sign By-law also prohibits the construction of new roof signs. Roof signs are often difficult to integrate into the architecture or design of a building. They can also interfere with established skylines and work against urban design policies and zoning by-laws that restrict the heights of buildings and structures throughout the city.

Sign Variances

Along with the sign regulations, the new Sign By-law provides a process for seeking minor relief from those regulations where a proposal may not comply with the Sign By-law.

Along with the new by-law, the approval of variances for first-party signs has been delegated to staff and in the case of third-party signs the authority has been delegated to a new Sign Variance Committee.

Nearby/neighbouring residents and businesses as well as the Ward Councillor are now notified of variance applications as required by the new Sign By-law.

Third Party Sign Tax

A Third-Party Sign Tax (TPST) has been developed in line with the goals and objectives of the new Sign By-law. This tax applies to owners of all third-party signs in the city with a sign face area greater than one square metre. It is estimated that the TPST will raise approximately \$10.4 million in revenue annually for the City. A portion of the tax offsets the costs of ongoing enforcement not recovered through application fees.

The TPST has been challenged by members of the sign industry and the matter is before the Superior Court of Justice. It is expected that a decision will be rendered in early 2011.

All owners of third-party signs in the city are required to provide a complete inventory of their signs to the Chief Building Official by January 31, 2011. The owners of third-party signs will receive their 2011 tax bill by March 31, 2011, and TPST payments are due July 1, 2011. The TPST will be payable on the issuance date of all third-party sign permits after April 6, 2010.

Sign By-law Unit

The Toronto Sign By-law Unit is a new operating unit within Toronto Building responsible for the issuance and inspection of sign permits and pro-active by-law enforcement for permanent signs on private property. The Unit is also responsible for the administration and annual collection of the Third Party Sign Tax (TPST) and the creation and maintenance of an inventory of all third party signs in the city.

The Sign By-law Unit became operational on September 7th, 2010. It is responsible for taking in and processing all applications for sign permits, sign variances and sign by-law amendments. By providing a single location and dedicated staff, businesses and residents can expect faster and more

accountable service with respect to permanent signs on private property in Toronto.

Implications

The Sign By-law Unit is making considerable progress in implementing the goals adopted by Council since the new by-law and Third Party Sign Tax came into effect on April 6th, 2010.

Decisions on sign applications are being made in the context of the City's goals for the public realm and reflect the vision for the City consistent with the Official Plan. The dedicated enforcement team is reaching resolution on many installations across the City.

Current Status and Next Steps

- Sign By-law Unit has been operational since September 7th, 2010 and is responsible for all applications and the administration and enforcement of the Sign By-law and TPST
- The Sign By-law Unit has created SignView; a publicly available, interactive database of sign regulations for all properties in the city
- Pro-active Sign By-law enforcement has begun with Sign By-law Unit staff issuing Notices of Violation as required and initiating sign removals and other enforcement action as required
- Sign By-law Unit staff have achieved a greater than 95% compliance with the collection and enforcement of the TPST
- Sign By-law Unit are now receiving, reviewing and issuing permits within 10 business days and recently implemented electronic application intake, review and issuance of sign permits
- Inventory and details of Third Party Signs to be made available to the public on SignView in 2011

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Development Review

Issue

A timely and efficient development approval service is important for Toronto's future economic growth, competitive edge and quality of life. The City is well positioned to continuously improve this service with the Development Application Review Project (DARP), an impartial interdivisional business unit that works with both staff and the development industry to improve the services related to development such as Planning approvals, Building Permits, Engineering review and inspection.

Development review is a horizontal process which involves the services of 12 City Divisions. DARP serves as a single point of contact to coordinate the implementation of legislative regulations, process improvements and resolve development related issues between Divisions, applicants or the Building Industry and Land Development Association (BILD). This partnership model responds to the applicants and the development industry's desire to be aware of changes at the City and to demonstrate the City's service commitment to all applicants.

Background

- Development is a significant industry to the City of Toronto – new residential construction alone is a major economic driver in the city creating more than 72,000 construction related jobs and \$3.7 billion in wages.
- It is necessary that businesses be knowledgeable about Toronto's competitive advantage and that they receive excellent and efficient service when dealing with the City if jobs and investment are to be retained and attracted.
- The City brings in over \$70 million in revenue each year for planning approvals, building permits, Right-of-Way permits and engineering inspections. It is imperative that the applicants receive value for the fees that they pay.
- DARP is committed to working with its partners to help the business community reduce the time and cost required to deal with the City and support their efforts to stay competitive in an ever-changing economic climate.
- DARP Steering Committee is chaired by the Deputy City Manager, Cluster B. Other members include the Chief Building Official, Chief Planner, Executive Director of Technical Services and management staff from all three City Clusters.

Accomplishments

- Introduced Gold Star Services for Planning Applications, an enhanced service for all industrial, commercial and institutional projects with high impact investment and job creation and retention.
- Reduced or eliminated certain letters of credit thereby easing credit pressures supporting significant development projects and encouraging new ones.
- Reduced the upfront portion for building permit fees from 100% to 60% of the total fee for projects with a fee value in excess of \$20,000.00.
- Revised the policy for water used for construction purposes, requiring projects to be metered so that actual usage is charged to the applicant. This is a significant improvement to the development industry as it spreads out payments over the course of construction, rather than paying a large deposit prior to construction. It should also promote water conservation.
- Created and maintain an online Development Guide – *Building Toronto Together* – which outlines the information, fees and other requirements needed when seeking planning approvals from the City. The Guide brings certainty and clarity to people on both sides of the service counter and improves the quality of submissions, decision making and ultimately the quality of development in Toronto.
- Completed a detailed review of the full cost of processing planning applications, including support Divisions, indirect, direct and capital costs for all Divisions, which are not included in the current fees.
- Act as a catalyst for sharing information related to development review internally for staff and externally for the development industry through *Developing Toronto*, an e-newsletter.
- Established Standard Conditions for Site Plans, Subdivisions and Condominiums, to reduce the time-lines for coordinating comments and finalizing agreements.
- Monitored development review response times for City Divisions and ensured accountability.
- Coordinated the implementation of new policies to ensure smooth transition and continued efficiency (Complete Application Official Plan Amendment, Toronto Green Standard and Green Roof By-law).

Implications

The City of Toronto is committed to providing a more consistent, reliable development review service for all applicants. DARP facilitates and implements service improvements, promotes interdivisional collaboration and consistent customer service, adding value for the development industry and staff.

The Development Application Review Project reduces red tape, promotes accountability, eliminates duplications, enhances services and ensures that applicants have a good, seamless customer service experience.

City Divisions are responsible for ensuring that development is carried out in the best interests of the City in terms of policies, standards, regulations and future implications to City residents. City Divisions are also responsible for providing good customer service to all applicants and city residents through reviewing development applications in a consistent, efficient and fiscally responsible manner.

Current Status and Next Steps

- Harmonizing interdivisional service practices for Park Levy fees, Municipal Road damages and improving financial securities tracking
- Streamlining Condominium Registration Process
- Implementation of new Site Plan powers (Architectural Control)
- Improve and expand the Development Guide to include a section for single family homes
- Continue to track, monitor response times by Division
- Develop and implement customer service standards for development review
- Report to Council on a new more sustainable fee structure for all Divisions involved in development review

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Streetscape Standards

Issue

There are high expectations for beautiful, well-designed and well-maintained city streetscapes with healthy trees and other public amenities such as benches, litter bins and public washrooms. Over the past few years, there have been a number of significant actions taken to improve streetscape standards including the finalization of City Planning's Streetscape Manual, the City's new Coordinated Street Furniture Program, and a review of the policies and funding options for streetscape improvements.

Background

The City Planning Streetscape Manual is a tool for the improvement of the City's arterial street network - the Main Streets and Green Streets that define and connect neighbourhoods. The Manual focuses on design quality in the public right-of-way with an emphasis on coherence, beauty, durability, accessibility, pedestrian amenity and tree canopy. The Manual assigns a set of standard or specialized design treatments to each arterial road. The design treatments specified in the Manual centre on five streetscape elements - paving, street trees, medians, lighting and street furniture. When applied over time, these design treatments will enhance the appearance, health and enjoyment of the urban landscape.

The Coordinated Street Furniture Program is a new system of street furniture secured by the City in 2007. It provides a well-designed range of items including transit shelters, litter bins, benches, public washrooms, Info ToGo pillars and postering kiosks. The Coordinated Street Furniture Program has provided harmonized design, form, scale, materials and placement of street amenities in a functional and accessible manner in order to reduce clutter, beautify city streets and give Toronto an identifiable streetscape. The furniture and its maintenance are provided to the City by Astral Media Outdoor in exchange for advertising rights on transit shelters and Info ToGo pillars.

Implications

While the Transportation Services Capital Budget does employ a replace-in-kind approach to streetscape elements that are in need of repair, it does not typically fund new streetscape improvements, despite the desire to beautify and provide a more consistent public right-of-way wherever possible and build to City Planning's Streetscape Manual standards.

To create a higher standard of streetscapes across the city will require a larger budget allocation per project. Enhanced streetscapes, including street trees and trenches, will no doubt be a pressure on the capital budget program – leading to the need for either new costing formulas or fewer projects implemented. As well, enhanced streetscapes require a higher level of ongoing maintenance.

Current Status and Next Steps

Staff are now reviewing the policy and funding options for streetscape improvements, e.g. paving materials, trees, tree trenches, street lights, as well as public art and hydro undergrounding. The intent is to develop a new costing formula that can be applied to different road classifications in order to anticipate and manage the cost impacts of these elements.

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Neighbourhood Beautification Program

Issue

Beautiful public spaces instil pride in residents, build vibrant neighbourhoods, promote civic engagement, secure public safety, attract businesses and enhance the tourist experience.

The Neighbourhood Beautification Program originated with the Clean and Beautiful City initiative, a multi-faceted plan to improve the look and cleanliness of Toronto. One important aspect of that initiative was that a clean and beautiful city could only be achieved if everyone pitched in, government as well as the public and business communities. Partnerships are the cornerstone of the Neighbourhood Beautification Program.

Background

There are two parts of the Neighbourhood Beautification Program: Community Projects and Infrastructure and Special Projects.

Community Projects

The first stage of the program in 2005 involved working with City Councillors' offices on small Community Projects, assisted by neighbourhood groups and other partners to improve unsightly conditions in the public right-of-way. The program grew in 2007 and now has a yearly fund of \$2.9 million in the Transportation Services Capital Budget.

Community Projects are community initiated and must meet the criteria of having community support, benefitting the neighbourhood, are simple, affordable and manageable to carry out, and can be implemented and looked after by volunteers. These are often neighbourhood gardens and community art projects. Once projects meet criteria, final sign-off is provided by the Ward Councillor.

Infrastructure and Special Projects

The capital funded Infrastructure and Special Projects Program is intended to create and revitalize city streetscape and improve public spaces. Projects often involve several partners, City Divisions and agencies and often include creative or green design solutions and demonstration of new technology. These projects are subject to approval by the General Manager,

Transportation Services. In 2010, 114 Neighbourhood Beautification Projects were completed or are close to completion. Projects include:

- Bathurst-Wilson Mural and night lighting
- Landscaping at the Heath Street subway entrance
- A system of narrow planters for streets that are not typically wide enough to accommodate trees
- Boulevard transformation – replacing asphalt with sod and trees in locations where an adjacent landowner will take responsibility for maintenance
- Extensive bulb planting in the public right-of-way using a unique technology – the Canadian Cancer Society is a partner on one part of this program

The Neighbourhood Beautification Program has emerged as a key resource for implementing civic improvements within the city. With the focus of the City's capital funding directed to state-of-good-repair works, neighbourhood beautification projects often augment basic capital improvements through tree planting, upgraded landscape features, irrigation systems or unique environmental components. By carefully assessing where the funding has the most impact, basic infrastructure is upgraded to civic enhancement.

Implications

The Neighbourhood Beautification Program has been extremely well received by the public, Councillors and a range of City agencies. They welcome the central point of contact on public realm matters and the coordination and implementation efforts that are brought to these projects. These projects often leverage existing funds and take advantage of opportunities in the public right-of-way that do not directly fall within anyone's jurisdiction.

Current Status and Next Steps

This work is coordinated and delivered by staff in the Public Realm Section of Transportation Services. All staffing and operational costs are derived from the City's Public Realm Reserve Fund (revenues from the City's Coordinated Street Furniture Program) dedicated to the improvement of the City's public realm.

For the Special Projects and Infrastructure Program, project identification for 2011 is being finalized now. Requests for Community Projects will be received at the beginning of the new year.

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Coordinated Street Furniture Program

Issue

The Coordinated Street Furniture Program calls for the harmonization of design, form, scale, materials and placement of street amenities in a functional and accessible manner in an attempt to reduce clutter, beautify city streets and give Toronto an identifiable streetscape.

Background

Following extensive consultation and a Request for Proposal process, City Council, at its meeting of May 23, 24 and 25, 2007, approved a 20-year agreement with Astral Media Outdoor LP to provide a Coordinated Street Furniture Program in exchange for advertising solely on transit shelters and Information Pillars.

The adoption of the report by City Council also gave staff direction to establish a new Public Realm Section in Transportation Services. This Section is funded by a portion of the revenues generated by the Street Furniture Program at no new net cost to the City's budget.

The Street Furniture Management Unit in the Public Realm Section has strategic responsibility and accountability for planning, design oversight, implementing and managing the Street Furniture Program in accordance with the City's "Vibrant Streets" guidelines.

Astral Media Outdoor LP entered into a formal Agreement with the City on July 20, 2007 for the design, manufacturing, installation, maintenance and repair of 25,640 street furniture elements over the 20-year term of the Agreement. The contract commenced on September 1, 2007.

Implications

The City will receive guaranteed revenues of \$428.8 million over the 20-year term, which included an initial payment of \$36.5 million upon execution of the Agreement. The initial payment comprised of a lump sum amount of \$28.0 million and prepayment of the first three years' guaranteed amounts. Annual payments will continue to be made to the City based on a formula of the greater of the minimum annual guaranteed amount or a percentage of gross revenue.

In addition, over the term of the Agreement and at no cost to the City, Astral provides a capital investment in street furniture of approximately \$202.4 million, ongoing maintenance estimated at \$294.3 million and Added Value Items (i.e. Summer Student Program, Public Art Funding Program, free homeless access to public washrooms, free radio and television advertising and free public service advertising) in excess of \$100 million. These amounts were all paid upon execution of the Agreement and are housed in a Public Realm Reserve Fund.

Astral was also required to contribute \$100,000 towards the “Design Links” study, which identifies an extended family of street furniture and \$285,000 to cover the costs of the City’s RFP process.

The Street Furniture Management Unit has also assumed the responsibility for licensing and regulating publication boxes within the public right-of-way, as part of the Coordinated Street Furniture Program.

Current Status and Next Steps

Following the establishment of the Street Furniture Management unit within the Public Realm Section, staff commenced the roll-out of new street furniture elements through aggressive surveying, planning and coordination. A total of 5,664 street furniture elements have been installed to date as follows:

- 741 transit shelters
- 4,061 litter receptacles
- 523 benches
- 5 information/wayfinding structures (Info ToGo pillars)
- 331 postering structures (64 free-standing columns and 267 shelter mounted boards)
- 2 multi-publication structures (1 eight-unit kiosk and 1 four-box corral)
- 1 public washroom

Also, through the application of the Publication Box By-law and enforcement of maintenance provisions, staff arranged the removal of over 4,500 publication boxes from city streets over the last two years.

Staff continue to work with Ward Councillors, BIAs and members of the public on an ongoing basis to ensure the equitable disbursement of street furniture among the various Wards and BIAs.

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Street Closures: Special Events and Construction Activities

Issue

Street closures are sometimes required for special events and construction activities.

Special Events (street events) encompass a variety of charitable, promotional and recreational activities such as races, runs, walks, parades, festivals, cultural/social events and parties on city streets.

Construction activities associated with road and sidewalk rehabilitation or reconstruction also close streets. These programs are part of the Transportation Services' Capital Works Program and coordinated with other public utilities including Toronto Water, so as to minimize disruption to users.

Permits are issued for all street closures in order to mitigate the associated impacts to traffic flow, parking and access, and address potential conflicts among simultaneous closures.

The City has and continues to experience an influx of "infill" high-rise development applications, redevelopment of industrial areas and the revitalization of the Toronto Waterfront, including the Pan Am Games Village. Intensification of these areas usually means that developments are built to the property line (and in some instances beyond) making construction almost impossible unless surface level sidewalks, roads and lanes are used or occupied to accommodate staging and safety requirements. Swing cranes, hoarding, closed traffic lanes and queuing construction vehicles often result under these circumstances.

Background

Transportation Services, Right-of-Way Management Unit, is responsible for facilitating events on City streets and sidewalks and issuing street occupancy permits for construction on or adjacent to roadways including:

- Events such as sidewalk sales, street parties, block parties, farmers markets, major events such as Caribana and Pride, marathons, car races and Car Free Days, pedestrian events, curblane closures/valet parking
- Construction on development sites such as:

- Construction staging areas (where no alternative location exists to set up the construction staging area, curblane(s) are closed for 1-2 years to accommodate the construction of the development)
- Site Protection (where no alternative location exists to set up the site protection (hoarding), the use of the public right of way is required to secure the site during construction)
- Hoisting (where no alternative location exists to allow for the safe movement of materials/supplies, temporary street closures are required to facilitate construction activities within the site)
- Roadway Construction such as:
 - Reconstruction, resurfacing and permanent utility cut repairs on roads and sidewalks in the public right-of-way undertaken by the City and its hired contractors
 - Utility cuts in asphalt, concrete or soft surface materials undertaken by public utility companies when installing or rehabilitating their plant situated in the public right-of-way

Implications

There are approximately 450 annual special events in the City of Toronto, of which approximately 320 take place in the downtown core. Notwithstanding the current economic climate, since 2008, Transportation Services staff have issued over 50 permits to developments where curb lanes on streets adjacent to the development had to be closed to accommodate a construction staging area for periods exceeding six months and an additional 4,000 temporary street occupation permits are issued annually for activities such as site protection, hoisting, etc. where the use of the street was required from one to thirty days.

Any delay in processing development applications could result in financial implications to the owners/developers of these developments, and further disruption to neighbourhoods and travel corridors would result.

Transportation Services has 200 km of road resurfacing and reconstruction for 2010. Since January 1, 2010, Transportation Services' staff have issued over 44,000 utility cut permits to public utility companies to carry out the necessary installation/rehabilitation of their infrastructure within the street,

many resulted in temporary occupation of the street during and after this work.

Current Status and Next Steps

The demand and frequency of street closures associated with events and construction results in increased disruptions for residents, employees, business operators and visitors who travel on the road and sidewalk network. Transportation Services will continue to manage all street closures as efficiently and effectively as possible to minimize any disruptions.

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