

November, 2005

Where the money goes – and maybe shouldn't

When city staff say they can't open the rinks because they have no money, **CELOS** researchers say: *we have some suggestions*. Redirect your spending. This little research group has been looking into where **the Parks, Forestry and Recreation funds go (they have an annual budget of over \$220 million)**. Doing this research is like pulling teeth, there are so many secrets. Here are some examples of what CELOS researchers have learned.

\$600 goes for each for playground tested for arsenic – a test that takes **20 minutes** of pre-lab labour (i.e. put some sand in three test tubes), and for which the lab charges \$18 per sample.

\$2000 goes to pay a consultant (an architect) to help pick out the new rubber flooring for Dufferin Rink House, and then to design a pattern of laying the tiles.

CELOS asked *why this was so expensive: no answer yet.*

\$0.5 million goes for 8 new Parks By-law Enforcement Officers:

But there doesn't seem to be quite enough for the officers to do. So the by-law officers visited the park farmers' market and told the farmers they'd all get tickets for parking at the market, and said the campfires are illegal too, and so is the cob wall.

Dealing with crises generated by the bylaw-officers can be a labour-intensive activity. And **at the end of the day there are eight new City jobs but less money to run the rinks and rec centres.**

\$392,448 went to **WGA Wong Gregerson Architects** in 2001 to tell the city what needs to be fixed in "recreational and cultural facilities." Then:

\$803,000 went to **Accent Building Sciences** in 2004 to give *more* city-wide advice on the same issue. Examples of their advice: At Dufferin Rink, the consultant recommended, for this year, fixing broken hockey boards (**\$19,000** for twenty or so new pieces of plywood and a paint job, routinely done every year anyway), putting in the new rubber changeroom tiles (we noticed ourselves that the old ones were in shreds; new tiles **\$15,000**), replacing a compressor in the mechanical room (**\$105,000**, but a visit from the compressor company established that our existing compressor is still fine), and fixing a gate that was twisted by a zamboni bang (the zamboni operator and the rink guards had reported it since it was obvious that the gate was hard to close). Along with several other assorted items including a **\$13,000** "contingency" amount (?), those jobs are listed at **\$190,000** in the budget. *Question:* which of these problems could have been addressed by city staff without the consultants?

CELOS asked for details: no answer yet.

\$1.1 million goes for new youth workers: Parks, Forestry and Recreation are hiring 19 new youth workers, at a salary beginning at **\$46,000** a year. The job includes: "*agency referrals, harassment/racism support, outreach to sexually diverse and gender diverse communities...employment counseling, and youth council/crew facilitation.*" The qualifications are vague, including the ability to "deal with issues as they arise" e.g. "*anti-oppression framework, racism and harassment*" etc. **The new workers will do no direct recreation work**, but their wages mean there's less money to operate Parks and Recreation facilities.

\$5.9 million goes for tearing down and rebuilding City playgrounds: but the non-governmental safety standards that caused this change were issued by a manufacturers' association. We tried to find out **how** that money was spent. The City sent two lawyers and three senior staff to a provincial Freedom of Information hearing to prove that **no records** of **\$4,941,590** of that project spending exist, so the City can't be made to produce them.

We tried to find out **why** that money was spent. Were there a lot of lawsuits for playground injuries? The City refused to answer until forced by the provincial information and privacy commissioner. Then it turned out that **the City's Claims Division could find only seven playground injury claims in twenty-five years, costing the City of Toronto a total of \$35,033.**

So if it wasn't a lawsuit problem, was it the threat of rising insurance premiums that made the City tear down all those playgrounds? It doesn't sound like it, but it's hard to tell – the City's insurance arrangements are very hard to understand. We found out that the City paid out total insurance premiums of **\$10.06** million from 1998 to 2003 to cover third party liability legal claims. But the City's deductible is so high (now \$5 million) that while **the City itself paid out \$44.9 million** in third party liability claims and lawsuits from 1998 to 2003, the insurance company was on the hook for only **\$210,450** of that. In recent years, **the premium for third-party liability claims cost the City around \$1.8 million a year, but the insurers ended up paying out NIL.**

\$10.3 million goes to a very large American company, **Cinergy Solutions**, to help "retrofit" all the rinks and arenas so they will be more energy-efficient. **This is all borrowed money.** Two years from now, Parks and Recreation will have to begin paying back this loan, with interest, from its operating funds (operating funds are the money for staff, zambonis, etc.). **Over \$1 million a year** must come from Park (and rink) operating funds. The contract says that no money will really be lost because the company guarantees that the city will be saving an equal or greater amount from its reduced energy costs. But the baseline energy cost chart, for comparison after the retrofit work is done, seems very dubious. And so far **the actual methods of the energy retrofit are a mystery**, i.e. the company says that actual descriptions of the work are **a trade secret**, and so **the City's Freedom of Information office wrote to us: "access denied."** *Question:* Can rink staff and rink users work together with city technical staff and help to meet Kyoto targets without \$10 million of mystery engineering? **CELOS asked the City to explain what is being done and to show the baseline energy costs – no answer yet.**

\$60 million a year (much of it borrowed) goes to Parks, Forestry and Recreation capital expenses: fixing things, buying new vehicles and parkland and building new buildings. **The staff in charge of allocating this money are not paid from the operating budget** (as the *Municipal Act* requires they should be) but from a percentage of the money the city borrows for its capital projects. That means that the more capital projects the staff line up, and the more money the City borrows, the better they can meet their payroll. **That seems to be a serious conflict of interest.** **CELOS has asked about this. No answer so far.**

OUR TAXES: Parks and Recreation staff will often say that the millions spent on major projects (and the consultants hired to carry them out) come from a *different pocket* than operating funds that are used, for instance, to run the rinks. In the end, though, all the money the city takes in taxes comes from the *same pocket* – ours. Taxes are a pool of money intended for the good of us all. City staff are there to help us make the most of this pool – that's their job, even if they don't always remember it. In this huge city, their days are often chaotic and it's hard to for them to keep their focus. **Park friends can help remind city staff of what's needed – we need to remind them to**

- 1. talk to us**
- 2. Collaborate!**