

Analyst Briefing Notes

Budget Committee - February 16, 2010

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February 16, 2010

PART I: 2010 OPERATING BUDGET**Executive Summary**

- Legal Services is responsible for defending and advancing the interests of the City in a cost-effective manner by minimizing risk, providing strategic research and legal advice to City Council and the City's Programs, Agencies, Boards and Commissions.
- Legal Services supports all City services by providing legal advice, opinions, counsel, negotiating and drafting services. In addition, Legal Services is involved in all major corporate initiatives, such as the Spadina Subway Extension, the Union Station Revitalization Project and the Transit City Project.
- Legal Services has established the following key service objectives:
 - Responding to the increase in demand for Legal Services which includes providing innovative, excellent legal advice in a timely manner to reflect the priorities of the Mayor and City Council, City Departments and ABCs.
 - Supporting City initiatives such as Climate Change and the Spadina Subway extension.
 - Expanding its resources to provide Legal and Administrative resources to support the Transit City Project.
 - Ensuring that staff are highly trained and possess the current expertise to meet client needs.
 - Providing efficient and timely legal services to support the development process.
- 2009 accomplishments for Legal Services include:
 - providing strategic advice on Climate Change and Environmental Issues, the Union Station Revitalization Project and the sale of Sony Centre development Rights
 - protecting the City's interests in retaining employment lands at OMB Hearings; providing legal advice to the Collective Bargaining Teams
 - representing the City's interests in Divisional Court on the appeal of the Bank Towers Review Board Decision
 - defending the City's Interests in the Airport Exemption By-law challenge and in the class proceedings with respect to 2 Secord Avenue explosion
- For 2009, Legal Services is projecting net expenditures of \$19.257 million which are \$0.978 million or 4.8% below the 2009 Approved Budget of \$20.235 million by year-end. The projected year-end favourable variance is mainly due to savings in staff vacancies, training, office materials and equipment. These savings are not expected to continue in 2010 as vacancies will be filled.

Table 1: 2010 Recommended Budget

(In \$000s)	2009		2010 Recommended Operating Budget			Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget		FY Incremental Outlook	
	2009 Appvd. Budget	2009 Projected Actual	2010 Rec. Base	2010 Rec. New/Enhanced	2010 Rec. Budget			2011	2012
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	39,593.4	38,615.0	39,185.0	353.3	39,538.3	(55.1)	(0.1)	728.2	283.1
REVENUE	19,358.5	19,357.7	19,191.8	353.3	19,545.1	186.6	1.0	0.0	0.0
NET EXP.	20,234.9	19,257.3	19,993.2	0.0	19,993.2	(241.7)	(1.2)	728.2	283.1
Approved Positions	279.0	279.0	276.0	4.0	280.0	1.0	0.4	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	19,993.2	19,993.2	0.0	18,981.4
PROGRAM REDUCTION (\$)	(1,011.7)	(1,011.7)	0.0	(1,011.7)
PROGRAM REDUCTION (%)	(5.0)	(5.0)	0.0	(5.0)

- The 2010 Recommended Operating Budget for Legal Services of \$39.538 million gross and \$19.993 million net is \$0.242 million or 1.2% below the 2009 Approved Operating Budget and achieves Program reductions of \$1.012 million or 5% of the 2009 Approved Budget, which meets the reduction target for Legal Services in 2010.
- The 2010 Recommended Operating Budget for Legal Services includes funding for 4 additional positions. Approval of the 2010 Recommended Budget will result in the Program’s total staff complement increasing from 279 to 280 approved positions reflecting the elimination of 3 permanent vacant positions as a result of 2010 recommended service changes and an increase of 4 temporary positions to assist with the Transit City Project that will be funded by the Toronto Transit Commission’s Capital Budget.
- The 2010 Recommended Operating Budget for Legal Services results in incremental future year net impacts to the Program of \$0.728 million in 2011 and \$0.283 million in 2012.
 - The 2011 Outlook net increase of \$0.728 million includes COLA, progression pay and step increases.
 - The 2012 Outlook anticipates incremental increases of \$0.283 million for progression pay and step increases.
 - Legal Services has not presented any viable 2011 service changes during the 2010 Operating Budget Process. It is anticipated that any further service reductions in 2011 to meet target will result in reductions of filled positions. Further work will continue through the course of the year and presented in the 2011 Operating Budget process.

- The 2010 Recommended Base Budget provides funding for the following key cost drivers:
 - A Cost of living adjustment (COLA) of 2% for Union staff and 1% for exempt staff and step and progression pay increases resulting in an increase to salaries and benefits of \$0.570 million.
 - Fringe benefit increases and salary annualizations resulting in an increase to salaries and benefits of \$0.164 million.
- The cost drivers noted above will be partially off-set by the following savings included in the 2010 Recommended Operating Budget:
 - An increase in gapping rate to 5% resulting in a salary savings of \$0.162 million
 - An increase in inter-departmental recoveries of \$0.201 million for expropriation work.
- The Program's 2010 Recommended Operating Budget includes service changes with savings of \$0.613 million for 2010 with no incremental impact in 2011. The service change actions include \$0.417 million in service efficiency savings and \$0.196 million in minor service level changes. Through the reassignment and absorption of work by existing staff, Legal Services can maintain 2009 service levels while eliminating:
 - 2 vacant permanent Prosecutor positions responsible for supporting the increase in Court case workloads; and
 - 1 vacant permanent Administrative position to support designated Solicitors
- Approval of the Service Changes will result in a reduction of 3 vacant permanent positions reducing the complement to 276.
- The 2010 Recommended Operating Budget for Legal Service provides funding to support and initiate the following activities:
 - Spadina Subway Extension: allocating designated resources for required land acquisitions to facilitate and expedite transit expansion.
 - Transit City: allocating resources for required land acquisitions to facilitate and expedite transit expansion.
 - Continuing to provide legal support to the City's Programs, Agencies, Boards and Commissions in the areas of municipal, real estate, litigation, planning and development, prosecutions and employment law.

Recommendations

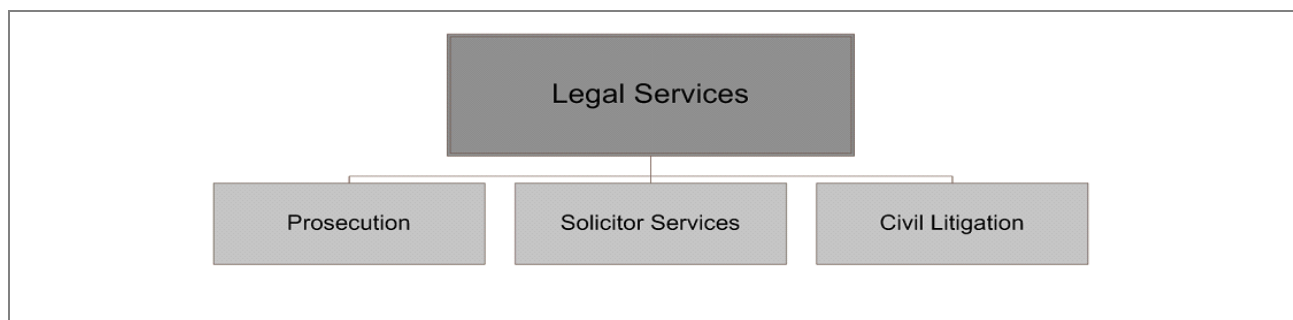
The City Manager and Chief Financial Officer recommend that:

- 1. City Council Approve the 2010 Recommended Operating Budget for Legal Services of \$39.538 million gross and \$19.993 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Municipal Law	6,442.4	3,221.2
Litigation	6,147.2	3,266.3
Administration	2,556.3	2,240.8
Planning & Tribunal	4,838.2	3,537.8
Real Estate	5,389.7	4,229.9
Employment	2,663.2	2,579.2
Prosecutions	11,531.3	918.0
	<hr/>	<hr/>
Total Program Budget	39,538.3	19,993.2
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PART II: 2010 SERVICE OVERVIEW AND PLAN**Mission Statement**

Legal Services is responsible for defending and supporting the City's interests and initiatives in a timely and cost-effective manner and minimizing risks. This includes providing independent legal advice, participating in interdisciplinary committees and providing strategic legal research and counsel. Legal Services provides legal policy direction and program delivery to all programs, Agencies, Boards and Commissions. Services provided include:

Program Map***Prosecution***

Prosecutes a wide range of high profile offences of City bylaws and Provincial statutes.

Solicitor Services

Provides strategic legal advice in the following practice areas:

- **Municipal Law:** provides expert legal advice and opinions related to issues within City operations and corporate initiatives including contract negotiations and drafting.
- **Real Estate Law:** provides assistance and advice on a wide-range of diverse and sophisticated real estate transactions dealing with the City's property interests.
- **Employment Law:** provides advice and assistance to the City and its Agencies, Boards and Commissions in matters related to Employment law and deals with issues arising from collective agreements between the City and its unions.
- **Planning and Development Law:** provides advice to City Council and staff on the use and development of land and policy related matters.

Civil Litigation

Represents and defends the City of Toronto in litigation matters at all levels of courts and administrative tribunals including, among others, the Ontario Municipal Board, Alcohol and Gaming Commission, Labour Relations Board, Workplace Safety and Insurance Appeals Tribunal and Human Rights Tribunal.

Service Objectives

Legal Services seeks to defend and advance the interests of the City in a timely and cost-effective manner through professional strategic legal advice, participating in interdisciplinary committees and drafting services to facilitate major corporate initiatives. The service objectives set by Legal Services address the need to allocate the appropriate resources to support the City's Legal requirements which include:

- Ensuring that staff are highly trained and possess the current expertise to meet client needs and participate in Solicitor training workshops to City Programs.
- Providing efficient and timely legal services to support the development process.
- Responding to the increase in demand for Legal Services. This includes providing innovative, excellent legal advice in a timely manner to reflect the priorities of the Mayor and City Council, City Departments and ABCs, and supporting City initiatives such as Climate Change and the Spadina Subway extension.
- In addition, Legal Services is expanding its resources to provide Legal and Administrative resources to support the Transit City Project. Two Solicitors, 1 Law Clerk and 1 Administrative position will be provided and will be funded by the Toronto Transit Commission (TTC).

PART III: 2009 EXPERIENCE

2009 Accomplishments

Legal Services provided legal research, advice, opinions, counsel, negotiation and drafting services to facilitate major corporate initiatives and participated in the implementation and roll-out of major corporate projects which include:

- Provided strategic advice on Climate Change and Environmental Issues.
- Provided strategic advice on Union Station Revitalization.
- Provided strategic advice on the Harmonized Sign by-law.
- Represented the City for the Sale of the Sony Centre Development Rights.
- Represented the City for the acquisition of lands required for the Transit City initiatives and the Spadina Subway Extension.
- Provided legal advice to the Collective Bargaining Teams.
- Represented the City's interests in Divisional Court on the Appeal of the Bank Towers Assessment Review Board Decision and received a favourable decision from Divisional Court.
- Defended the City's Interests in the Airport Exemption By-law challenge.
- Defended the City's interests in class proceeding with respect to the explosion at 2 Second Avenue.

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

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	37,912.5	39,593.5	38,615.0	(978.5)	(2.5)
REVENUES	19,232.5	19,358.5	19,357.7	(0.8)	(0.0)
NET EXP.	18,680.0	20,235.0	19,257.3	(977.7)	(4.8)
Approved Positions	260.0	279.0	279.0	0.0	0.0

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

2009 Budget Variance Analysis

Legal Services' Third Quarter Variance report projects that the Program will be \$0.978 million or 4.8% below the 2009 Approved Operating Budget of \$20.235 million by year-end.

- Under-expenditures are primarily attributed to savings in salary and benefits due to hiring delays and higher than expected staff leaves of absence as well as savings on training, equipment and office supplies.

Impact of 2009 Operating Variance on the 2010 Recommended Budget

There are no operating impacts of the 2009 Operating Variance on the 2010 Recommended Budget. It is expected that vacancies will be filled in 2010.

PART IV: 2010 RECOMMENDED BASE BUDGET

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

	2009 Appvd. Budget	2010 Recommended Base	Change 2010 Recommended Base v. 2009 Appvd. Budget		FY Incremental Outlook	
					2011	2012
(In \$000s)	\$	\$	\$	%	\$	\$
GROSS EXP.	39,593.4	39,185.0	(408.4)	(1.0)	728.2	283.1
REVENUE	19,358.5	19,191.8	(166.7)	(0.9)	0.0	0.0
NET EXP.	20,234.9	19,993.2	(241.7)	(1.2)	728.2	283.1
Approved Positions	279.0	276.0	(3.0)	(1.1)	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
NET BUDGET	19,993.2	19,993.2	0.0	18,981.5
PROGRAM REDUCTION (\$)	(1,011.7)	(1,011.7)	0.0	(1,011.7)
PROGRAM REDUCTION (%)	(5.0)	(5.0)	NA	(5.0)

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

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	20,234.9	
Pressures Reported with 2010 Outlook	770.0	680.4
5% Reduction Target	(1,011.7)	(1,011.7)
Additional Pressures not in 2010 Reported Outlook	0.0	TBD
Program Reduction Target	(1,011.7)	(1,011.7)
Net Budget Target	19,993.2	18,981.4

2010 Recommended Base Budget

The 2010 Recommended Base Budget of \$19.993 million net represents a \$0.242 million or 1.2% decrease over the Legal Services' 2009 Approved Operating Budget of \$20.235 million. The 2010 Recommended Base Budget includes funding of \$0.734 million for Base Budget increases, which have been offset by decreases of \$0.613 million or 4.4% arising from savings from recommended service changes.

The 2010 Recommended Base Budget of \$19.993 million net includes recommended Program reductions of \$0.363 million for service efficiencies and revenue changes, summarized below. In total, this meets Legal Services' 2010 Operating Budget reduction target of \$1.012 million or 5% of the 2009 Approved Budget.

- The 2010 Recommended Operating Base Budget accommodates increased labour costs arising from inflationary and progression pay increases.

Approval of the 2010 Recommended Base Budget will result in the Program's total staff complement decreasing from 279 to 276 approved positions arising from the reduction of 3 vacant permanent positions as a result of service changes recommended for 2010.

2010 Base Budget Key Cost Drivers

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

- Cost of living allowance (COLA) of 2% for union staff and 1% for exempt staff resulting in an increase of \$0.353 million.
- Step increases of \$0.045 million.
- Progression pay increases of \$0.172 million.
- Annualizations in the amount of \$0.028 million for part year funding for new positions approved in 2009.
- Fringe Benefit increase of \$0.137 million.

The cost drivers noted above will be offset by the following savings included in the 2010 Recommended Base Budget:

- A Gapping rate increase to 5% resulting in a salary savings of \$0.162 million.
- An increase in inter-departmental recoveries of \$0.201 million for expropriation work.

2010 Service Changes

Legal Services' 2010 Recommended Base Budget includes service change savings of \$0.613 million representing 4.4% of the 2009 Approved Budget with no incremental impacts in 2011. The recommended 2010 service changes are comprised of \$0.417 million in 2010 efficiency savings and \$0.196 million in minor service level changes.

The recommended service changes are summarized below:

Service Efficiencies

- Reduction in Office Supplies of \$0.051 million.
- Reduction of Outside Counsel of \$0.119 million.

- Reduction in Outside Planning Experts of \$0.150 million. Outside Planning Experts provide evidence at OMB Hearings when City Planning staff are unable to provide evidence under oath in support of Council's position on a matter.
- Reduction in Equipment of \$0.045 million.
- The reduction of one vacant permanent Administrative position within Legal Services Administration area, effective January 1, 2010, in the amount of \$0.052 million. Legal Services will maintain service levels as they will absorb and share the functions of this position among the remaining Administrative staff.

Minor Service Level Changes

- The reduction of two vacant permanent Prosecutor positions, effective January 1, 2010, within Prosecutions, in the amount of \$0.196 million. The cases and workload of these two Prosecutors will be reassigned to other Prosecutors.

Please refer to Section B for a discussion regarding the 2010 Recommended Base Budget Service Changes.

2011 and 2012 Outlook: Net Incremental Impact

Approval of the 2010 Recommended Base Budget for Legal Services will result in a 2011 and 2012 incremental increase of \$0.728 million and \$0.283 million respectively to maintain the 2010 level of service and staff complement. Future year costs are primarily attributed to the following:

- The 2011 Outlook for Legal Services anticipates incremental net expenditure increases of \$0.728 million for COLA, progression pay and step increases.
 - The 2010 Recommended Operating will not result in any 2011 incremental service change savings to assist the Program in achieving their 2011 reduction of a further decrease of \$0.613 million or 5% of the 2009 Approved Budget. Further options will be reviewed over the course of the year and presented during the 2011 Operating Budget process.
- The 2012 Outlook anticipates incremental increases of \$0.283 million for progression pay and step increases.

PART V: 2010 RECOMMENDED SERVICE CHANGES

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

Description	2010 Recommended Service Changes				Net Incremental Impact	
	Position Change	Gross Exp.	Net Exp.	% Change over 2009 Budget	2011	
	#	\$	\$	#	\$	# Pos
Base Change Summary	0.0	0.0	0.0	0.0%	0.0	0.0
Service Efficiencies:						
Reduction of Outside Counsel		(119.2)	(119.2)	-0.9%		
Reduction in Outside Planning Experts		(150.0)	(150.0)	-1.1%		
Reduction in Equipment		(45.0)	(45.0)	-0.3%		
Reduction in Administrative Position	(1.0)	(51.5)	(51.5)	-0.4%		
Reduction of Office Supplies		(51.0)	(51.0)	-0.4%		
Revenue Changes:						
Minor Service Level Changes:						
Reduction of Two Prosecutors	(2.0)	(196.1)	(196.1)	-1.4%		
Sub-Total Service Changes	(3.0)	(612.8)	(612.8)	-4.4%	0.0	0.0
Total Changes	(3.0)	(612.8)	(612.8)	-4.4%	0.0	0.0

2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget, with savings estimated at \$0.613 million in 2010 with no incremental impact in 2011. Approval of the recommended service changes will result in a reduction of 3 approved permanent vacant positions reducing Legal Services' complement to 276.

Service Changes

The following 6 recommended service changes included in Legal Services' 2010 Recommended Base Budget, resulting in 2010 savings of \$0.613 million net, are discussed below:

Service Efficiencies***Reduction of Outside Counsel***

The reduction of \$0.119 million is recommended to reduce the use of Outside Counsel. Outside Counsel is used to handle various corporate matters that may require specific expertise that is not available in house or where the City Solicitor has a conflict or where directed by City Council. Over the years, expenditures in external counsel have decreased due to providing the services internally resulting in a significant savings to the City.

Reduction in Outside Planning Experts

Outside experts are required to provide evidence at Ontario Municipal Board Hearings when City Planning staff are not able to provide evidence under oath in support of Council's position on a planning matter. The reduction in planning fees of \$0.150 million is recommended in order to meet 2010 budget targets.

Reduction in Equipment

A reduction of \$0.045 million is recommended to reduce the purchase of office equipment within the Program area.

Reduction of 1 Vacant Administrative Position

The 2010 Recommended Operating Budget for Legal Services results in savings of \$0.052 million arising from the reduction of 1 currently vacant permanent Administrative position, effective January 1, 2010. Legal Services will maintain service levels as they will absorb and share the functions of this vacant position among the remaining Administrative positions.

Reduction of Office Supplies

A reduction of \$0.051 million is recommended to reduce the purchase of office supplies.

Minor Service Level Changes***Reduction of Two Vacant Prosecutor Positions***

This recommended service change will result in the reduction of 2 currently vacant permanent Prosecutor positions, effective January 1, 2010, resulting in savings of \$0.196 million. The responsibilities of these two positions will be reassigned to other Prosecutors resulting in increased workloads delays in response times and trial dates.

**PART VI:
RECOMMENDED NEW SERVICE PRIORITY ACTIONS**

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

(In \$000s)

Description	2010 Recommended			Net Incremental Impact			
	Gross Exp.	Net Exp.	New Positions	2011		2012	
	\$	\$	#	\$	# Pos	\$	# Pos
Enhanced Services:							
(a) Enhanced Services - Council Approved							
(b) Enhanced Services - Program Initiated							
Sub-Total Enhanced Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Services:							
(a) New Services - Council Approved							
(b) New Services - Program Initiated							
Solicitor Resources for Transit City	256.8	0.0	2.0				
Law Clerk for Transit City	51.3	0.0	1.0				
Legal Assistant for Transit City	45.2	0.0	1.0				
Sub-Total New Services	353.3	0.0	4.0	0.0	0.0	0.0	0.0
Total Enhanced/New Services	353.3	0.0	4.0	0.0	0.0	0.0	0.0

2009 Recommended New / Enhanced Service Priority Actions

New Service Priority Actions

Program Initiated

Solicitor Resources to Support the Transit City Project (\$0.257 million gross and gross and \$0 million net, two temporary Prosecutor positions)

Funding in the amount of \$0.257 million gross, \$0 million net is recommended to fund two temporary Prosecutor positions, effective April 1, 2010, to assist with the acquisition of lands and to respond to development agreements for the Transit City Project. These temporary positions will be funded by the Toronto Transit Commission's 2010 Capital Budget.

Law Clerk for the Transit City Project (\$0.052 million gross and gross and \$0 million net, one temporary Law Clerk position)

Funding for one new temporary Law Clerk position in the amount of \$0.052 million gross, \$0 million net, effective April 1, 2009, is recommended. This temporary position will be funded by the Toronto Transit Commission's 2010 Capital Budget. The new position will assist the Solicitor with title searches and the increased workload demands generated by the Transit City Project.

Legal Assistant for the Transit City Project (\$0.045 million gross and gross and \$0 million net, one temporary Legal Assistant position)

Funding in the amount of \$0.045 million gross, \$0 million net is recommended to fund one temporary Legal Assistant position, effective April 1, 2010, to assist and support the Solicitors and Law Clerks with various administrative duties which include title searches for the Transit City Project. This temporary position will be funded by the Toronto Transit Commission (TTC).

PART VII: ISSUES FOR DISCUSSION

2010 Budget Issues

There are currently no 2010 Budget Issues.

2011 and Future Year Issues

2011 Reduction Target

Legal Services has not presented any viable 2011 service changes during the 2010 Operating Budget Process. It is anticipated that any further service reductions in 2011 to meet target will result in reductions of filled positions thereby increasing risk to the City and possibly not meeting court and tribunal mandated obligations. Any further options will be reviewed over the course of the year and will be presented for consideration during the 2011 Operating Budget process.

Appendix A

2010 Recommended Base Budget Changes vs. 2009 Approved Budget

(In \$000s)	Summary of 2010 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2011	2012
		\$	\$	\$	\$	\$
2009 Council Approved Operating Budget	276.0	39,526.1	19,113.3	20,412.8	0.0	0.0
In-year approvals and technical adjustments		(156.7)		(156.7)		
Insurance Reallocation		(21.2)		(21.2)		
Adjustment for Transit City Project	3.0	245.2	245.2	0.0		
2009 Approved Operating Budget	279.0	39,593.4	19,358.5	20,234.9	0.0	0.0
Prior Year Impacts:						
Annualizations from Prior Year		659.8	632.3	27.5		
Reversals from Prior Year						
Operating Impacts of Capital						
Zero Base Items						
Economic Increases:						
Salary		706.5		706.5	728.2	283.1
Non Salary						
Adjusted Base Budget	279.0	40,959.7	19,990.8	20,968.9	728.2	283.1
Base Expenditure Changes		(161.9)	0.0	(161.9)		
Base Revenue Changes		(1,000.0)	(799.0)	(201.0)		
2010 Base Budget Prior to Service Changes	279.0	39,797.8	19,191.8	20,606.0	728.2	283.1
Recommended Service Changes:						
Service Efficiencies	(1.0)	(416.7)		(416.7)		
Revenue Changes						
Minor Service Level Changes	(2.0)	(196.1)		(196.1)		
Major Service Level Changes						
Total Recommended Base Changes	(3.0)	(612.8)	0.0	(612.8)	0.0	0.0
2010 Recommended Base Budget	276.0	39,185.0	19,191.8	19,993.2	728.2	283.1

Appendix B
Summary of Service Changes

Appendix C

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

Appendix D

Program Summary by Expenditure Category

CLUSTER: Other City Programs PROGRAM: Legal Services							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	31,225.8	27,874.0	32,582.3	1,356.5	4.3%	33,310.5	33,593.6
Materials and Supplies	377.8	443.7	326.8	(51.0)	(13.5%)	326.8	326.8
Equipment	67.7	41.6	22.7	(45.0)	(66.5%)	22.7	22.7
Services & Rents	1,399.3	1,755.5	1,133.7	(265.6)	(19.0%)	1,082.0	1,082.0
Contributions to Capital	54.9	54.9	54.9	0.0	0.0%	54.9	54.9
Contributions to Reserve/Res Funds	0.0	0.1	0.0	0.0	0.0%	0.0	0.0
Other Expenditures	0.0	0.0	0.0	0.0	0.0%	0.0	0.0
Interdivisional Charges	6,468.0	6,217.5	5,468.0	(1,000.0)	(15.5%)	5,468.0	5,468.0
TOTAL GROSS EXPENDITURES	39,593.5	36,387.3	39,588.4	(5.1)	(0.0%)	40,264.9	40,548.0
Interdivisional Recoveries	16,310.2	15,110.7	16,099.6	(210.6)	(1.3%)	16,099.6	16,099.6
Provincial Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	1,740.4	1,097.1	1,740.4	0.0	0.0%	1,740.4	1,740.4
Transfers from Capital Fund	0.0	0.0	50.0	0.0	n/a	50.0	50.0
Contribution from Reserve Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	1,307.9	1,048.4	1,705.1	397.2	30.4%	1,705.1	1,705.1
TOTAL REVENUE	19,358.5	17,256.2	19,595.1	186.6	1.0%	19,595.1	19,595.1
TOTAL NET EXPENDITURES	20,235.0	19,131.1	19,993.3	(191.7)	(0.9%)	20,669.8	20,952.9
APPROVED POSITIONS	279.0	279.0	280.0	1.0	0.4%	280.0	280.0

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2009	Proposed Withdrawals (-) / Contributions (+)		
			2010	2011	2012
		\$	\$	\$	\$
Insurance Reserve Fund	XR1010	32,534.1	54.9		
Total Reserve / Reserve Fund Draws / Contributions			54.9	0.0	0.0