

A panoramic view of the Toronto skyline, including the CN Tower, seen from a park with green fields and trees in the foreground. The sky is clear and blue.

CITY OF TORONTO

Staff Recommended 2010 Operating Budget Overview

Citizen Centred Services “B”

March 4, 2010

Cluster B Mission

- Provide services essential to the City's daily operation.
- Prevent and respond to hazards.
- Build, operate and maintain physical infrastructure to support our City of Toronto.
- Implement Climate Change Action Plan and promote sustainable environmental initiatives.
- Enhance and protect the liveability and character of the neighbourhoods.

Cluster B Service Levels (Highlights)

- City Planning
 - Processes 2,500 community planning and committee of adjustment applications
 - Holds over 400 non-statutory civic engagement community meetings that involve more than 16,000 residents

- Fire Services
 - Responds to over 142,000 calls, including 8,382 fires, 79,747 medical calls and 2,322 rescues

- Municipal Licensing & Standards
 - Issues over 45,000 business licenses
 - Conducts over 50,000 inspections for property standards, noise, and business license enforcement
 - Licenses over 141,500 dogs and cats

Cluster B Service Levels (Highlights) continued

- PPFA
 - Processes over 82,000 accounts payable transactions with a value of \$329 million
 - Issues over 7,300 purchase orders and blanket contracts with a value of \$1.6 billion
 - Issues 14,500 invoices with a value of \$149 million
- Technical Services
 - Delivers capital projects with a budget of \$585 million, increasing to \$888 million in 2011
- Toronto Building
 - Issues >30,000 building permits with a construction value of over \$5 billion
- Transportation Services
 - Maintains over 5,600 kilometres of road, 8,000 kilometres of sidewalks, 600 bridges and over 100 kilometres of bike lanes

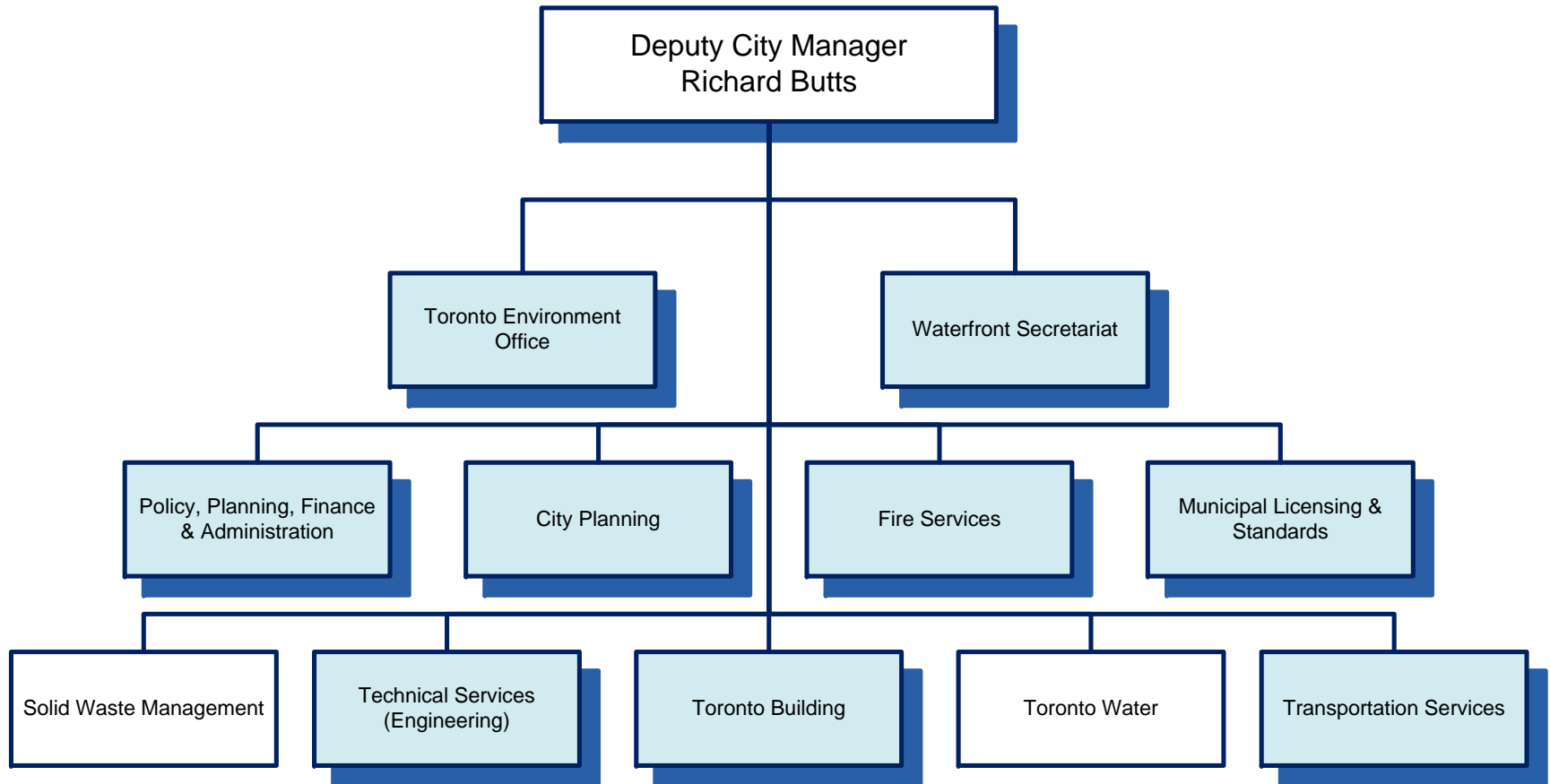
Major Accomplishments

- New Sign By-law and Third Party Sign Tax adopted by City Council
- New Draft Zoning By-law completed for consultation
- Multi-Residential Apartment Building inspection program launched
- “Project Zero” launched to ensure working smoke alarms and carbon monoxide detectors in every residence
- Pedestrian Countdown Signals installed at all feasible locations
- Green Roof By-law approved
- Live Green Toronto program fully established

Environmental Scan

- Economic recession - impact on development application fees
- Growth in the Capital Budget to address an aging infrastructure
- Federal Stimulus Projects – planning review and approvals
- Transit City
- 2015 Pan Am Games
- Inflationary pressures and COLA increases

Organization Chart



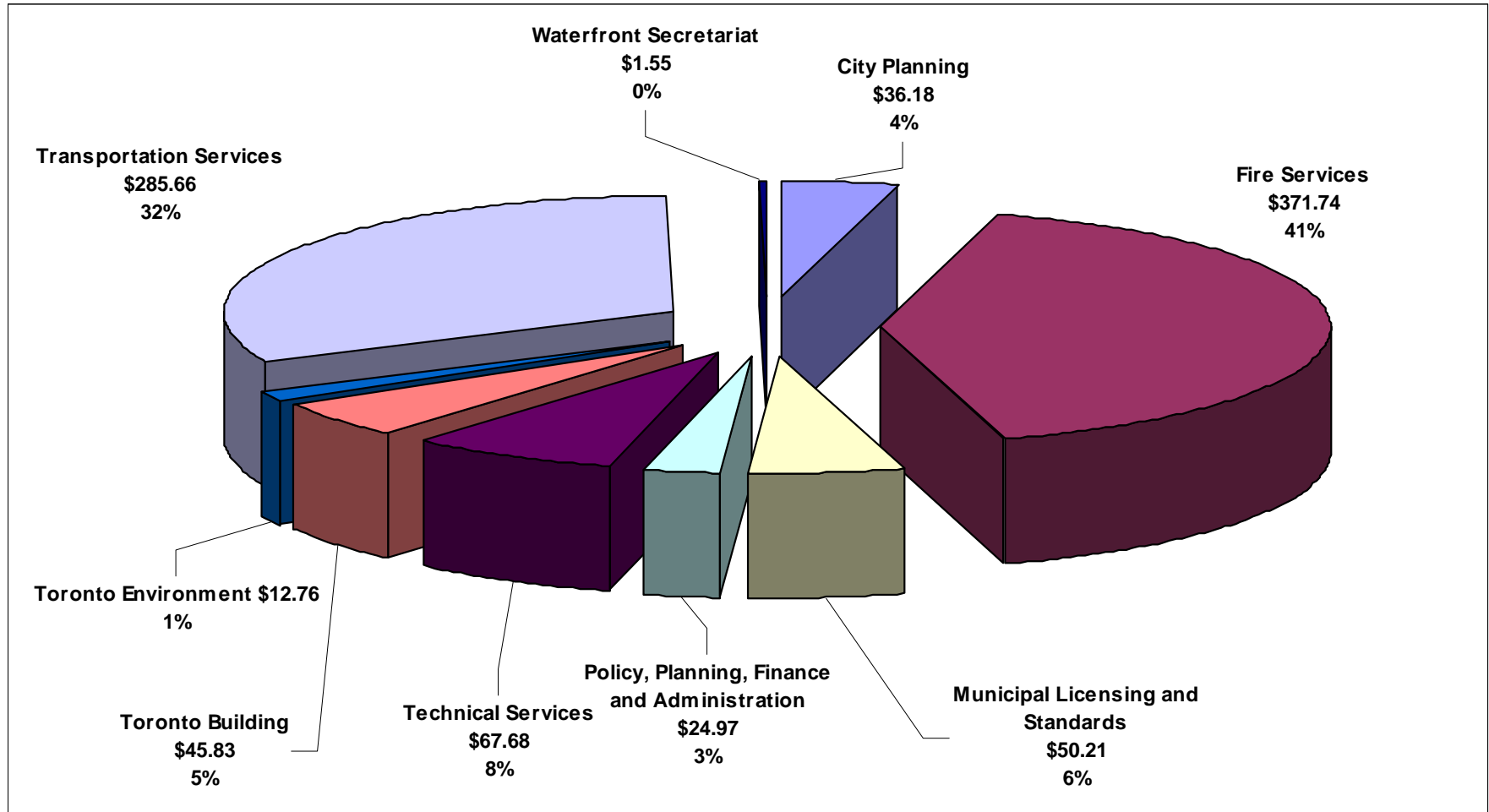
Program Activities to Achieve Targets

- City Manager established 5% reduction target
- Divisions carried out a detailed analysis of base budgets
 - Salary budgets developed based on actual salaries
 - Inflationary increases absorbed where possible
 - Non-salary budgets reduced where possible
- Three divisions participated in “Breakthrough Thinking Sessions”
 - Fire Services, Technical Services, Transportation Services
- All divisions identified service review reduction proposals to meet target

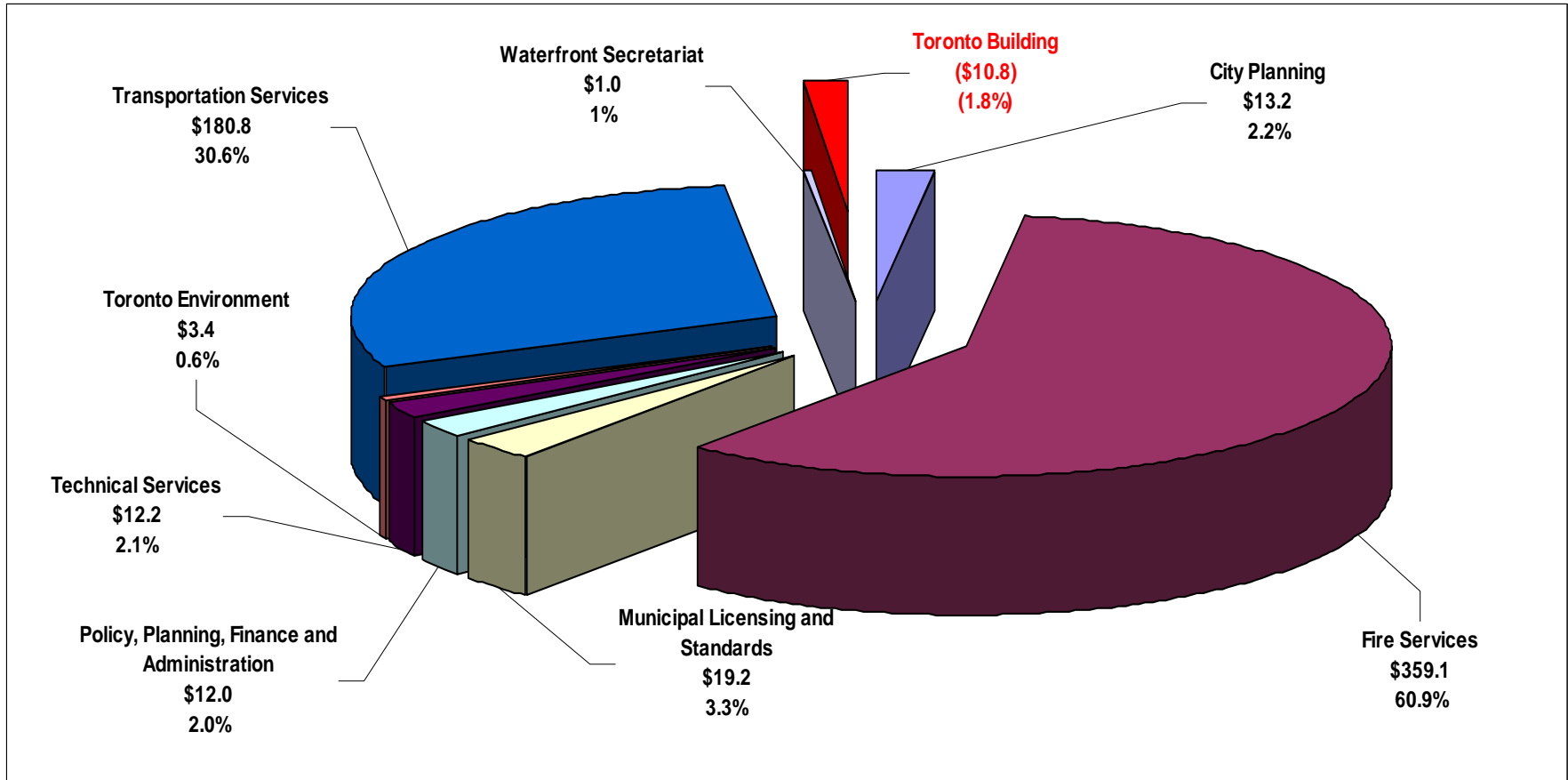
Staff Recommended 2010 Net Operating Budget

Staff Rec'd 2010 Net Operating Budget	2009 Approved Budget	2010 Rec'd Total Budget	Changes from 2009 Approved Budget	
			(\$000s)	%
City Planning	13,932	13,222	(710)	(5.1%)
Fire Services	359,254	359,141	(113)	(0.0%)
Municipal Licensing & Standards	19,312	19,226	(86)	(0.4%)
Policy, Planning, Finance and Administration	12,647	12,015	(632)	(5.0%)
Technical Services	13,127	12,207	(920)	(7.0%)
Toronto Building	(10,801)	(10,801)	(0)	0.0%
Toronto Environment Office	3,549	3,372	(177)	(5.0%)
Transportation Services	185,588	180,815	(4,773)	(2.6%)
Waterfront Secretariat	994	957	(37)	(3.7%)
Total Citizen Centred Services "B"	597,602	590,154	(7,448)	(1.2%)

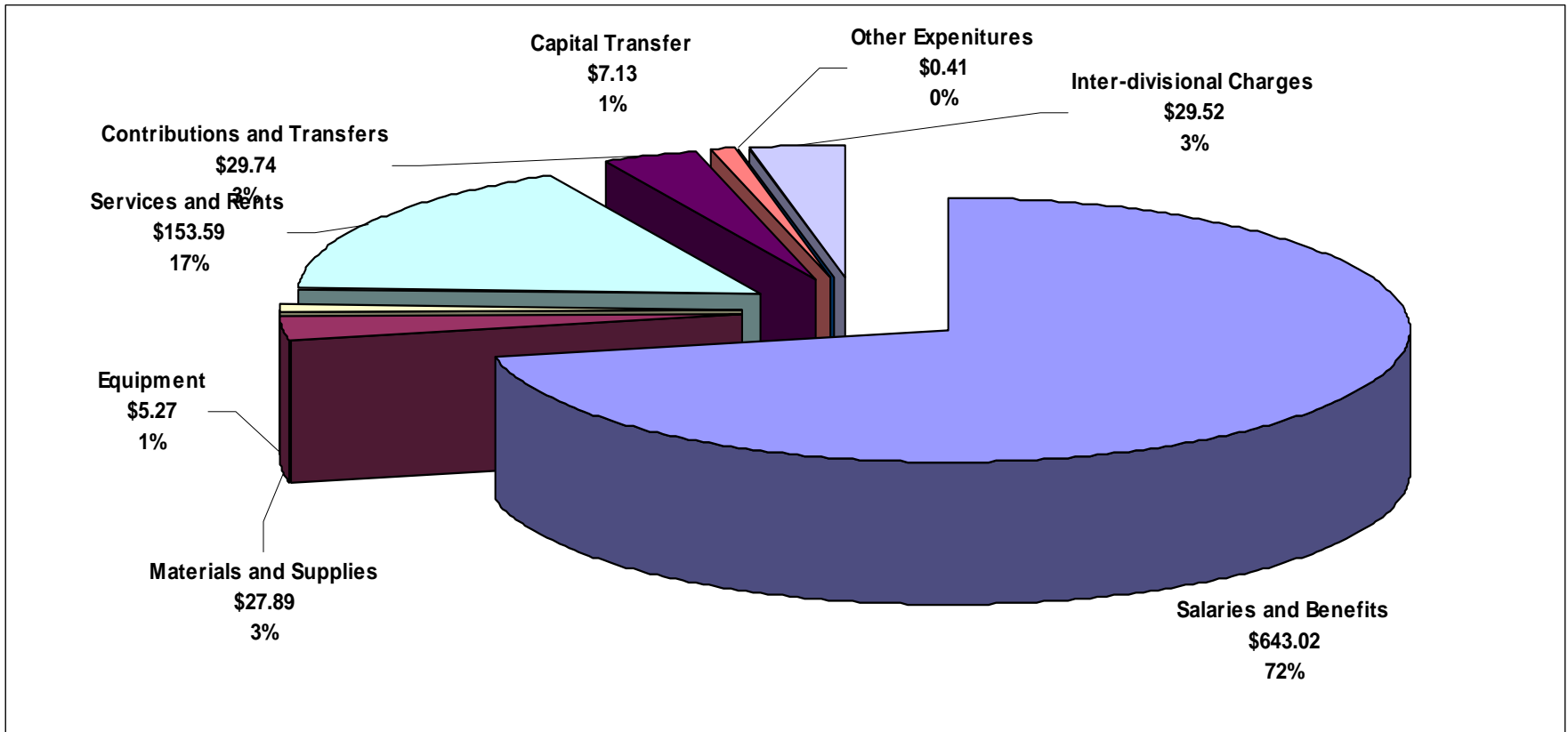
Cluster B Recommended Gross Operating Budget



Cluster B Recommended Net Operating Budget



Gross Operating Budget by Category



2010 Selected Program Issues and Challenges

- City Planning
- Toronto Building
- Fire Services
- Municipal Licensing & Standards
- Technical Services
- Toronto Environment Office
- Transportation Services

City Planning - Application Fee Revenue

- Number of applications declining since 2007:
 - Total number of applications down by 30% since 2006
 - Drop of almost 20% from 2008 to 2009
- Mix of applications also changing:
 - Lower average revenue per application
- Result => 2009 application revenue 38% less than budget
- Strategies to meet target:
 - Increase fees by a total of 10%; expected volumes adjusted
 - Hold positions vacant to mitigate impact of revenue shortfall
 - Monitor activity
 - Will adjust revenue budget and staffing levels in 2011 if trend continues

Toronto Building - Permit Fee Revenue

- Reduction in Permit Fee Revenue also experienced by Toronto Building
- Number of Building Permits issued dropped by 18% from 2008 to 2009:
 - 2009 permit fee revenue 20% less than budget
- However, average revenue per Building Permit issued has remained constant
- Strategies to meet target:
 - Hold positions vacant to mitigate impact of revenue shortfall
 - Use deferred revenue and Building Code Act Service Improvement Reserve Fund to cover shortfall if necessary
 - Will adjust revenue budget and staffing levels in 2011 if trend continues

Fire Services – Increasing Call Volumes

- Since 2000, the total number of incidents has increased by 24% and the number of false alarms is also up 16%
- However, the number of staff in Fire Services has increased by just 2%
- Challenge to meet budget target without reducing front-line staffing levels
- Strategies to meet target:
 - Charge for all nuisance and malicious false alarms to reduce volume – will generate \$4.744 million net
 - Reduce overtime budget - \$0.232 million
 - Reduce vehicle reserve contribution from 2009 level by \$0.928 million

Municipal Licensing & Standards

- Focus on improvements in service delivery through:
 - Pro-active investigations – average 12,474 in 2008 and 2009
 - Development of performance targets and tracking systems
 - Improvements in productivity
 - Establishment of rapid response teams
 - Internal training that focuses on effective and efficient service delivery
 - Implementation of re-inspection fees to increase compliance with by-laws

- Strategies to meet target:
 - Reduce vacant positions; productivity improvements will ensure that performance standards are still met - \$0.661 million
 - Integrate pro-active Temporary Sign Enforcement into regular activities - \$0.595 million
 - Eliminate summer student door-to-door pet licensing program - \$0.261 million

Technical Services – A Growing Capital Program

- Capital Program administered by Technical Services increased by 240% from 1998 to 2009, from \$172 million to \$585 million
- By 2011, Capital Program will peak at approximately \$900 annually
- Transit City initiatives add pressure
- Increase in Capital Program growth partially offset by increased productivity
- Strategies to meet target:
 - Reorganized staff to improve capital delivery
 - Productivity improvements - capital project value per FTE increased by 38% from 2008 to 2010
 - Additional staff added for Transit City
 - New Utility Cut Permit Fees to recover costs \$0.400 million

Toronto Environment Office

- Programs funded by reserve contributions will end by 2012:
 - Live Green Toronto
 - Eco-Roof Program
 - Climate Change Adaptation
 - Local Air Quality
 - Home Energy Assistance Toronto (HEAT)

- Strategies to meet target
 - Reduce advertising and promotions for Live Green Toronto \$0.108 million
 - Reduce professional and technical services \$0.070 million

Transportation Services

- Base budget pressures include:
 - Non-salary inflationary increases \$3.637 million
 - Salary increases \$2.144 million
 - Costs related to new roads and bike lanes, and utility cuts \$1.517 million

- Strategies to meet target:
 - Base budget savings \$1.632 million
 - Service efficiencies \$1.765 million
 - Minor service level changes \$3.56 million
 - ✓ Align winter maintenance practice with approved standards
 - ✓ Eliminate 25 vacant positions
 - Revenue changes \$6.131 million (base and new)

2010 Service Changes & Efficiencies

- Base Budget Service Review Reductions total more than \$15.2 million for Cluster B divisions

- Service Efficiencies
 - \$5.486 million in savings

- Revenue Changes
 - \$5.110 million to be generated

- Minor Service Level Changes
 - \$3.780 million in savings

- Major Service Level Changes
 - \$856 thousand in savings

2011 Outlook

- Fire Services COLA
 - New contract under negotiation
- Negotiated Increases for CUPE Locals 416 and 79
 - 2.25% wage increase
- Annualization of new 2009 revenues
- Implementation of Breakthrough Thinking Session proposals

