

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

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Executive Summary

- Policy, Planning, Finance and Administration (PPF&A) provides centralized financial and administrative support to the Deputy City Manager and Cluster B Programs such as: Transportation Services; City Planning; Toronto Water; Solid Waste Management; Toronto Building; and Municipal Licensing and Standards so they can focus on providing services to the residents and businesses in the City of Toronto. PPF&A provides three main services: Financial Management; Program Support; and Executive Management.
- PPF&A's key challenges and opportunities include the ability to continue to find efficiencies in order to provide more support to Cluster B programs with the same amount of resources. PPF&A is further challenged by the increasing amount of financial and administrative support required for Cluster B Programs in order to improve financial controls at Toronto Water; complete the full roll out of the rate-based Solid Waste Management Program; and improve capital delivery coordination within Cluster B. Opportunities include the requirement to work more closely with Cluster B Programs in order to support meeting their service challenges and utilizing the knowledge gained to provide input to corporate policies and procedure development to ensure the needs of Cluster B Programs are met.
- PPF&A has established the following key service objectives over the next 3 years to address the challenges and opportunities outlined above:
 - Enhancing management reporting to Cluster B divisions
 - Working to provide harmonized services to Cluster B divisions
 - Working with Toronto Water to improve financial controls and Solid Waste Management to ensure smooth transition to a rate-base program
 - Improving coordination of cross-divisional capital projects and decision support and risk management.
- The 2009 Recommended Operating Budget provides \$5.158 million in base and new funding for a broad range of priority actions in response to the challenges and opportunities set out above:
 - **Financial and Administrative Enhancements for Toronto Water:** The increase of 13 positions is recommended to improve financial controls at Toronto Water as outlined in the Auditor General review in 2007. Funding of \$1.015 million gross is provided for this priority action in 2009.
 - **Information Technology Projects to Improve Efficiencies:** The 2009 Recommended Operating Budget provides \$3.536 million gross through capital recoveries that upgrade and update computerized systems to provide clients with easier access to better information on a timely basis.

- **Improving Capital Delivery of Cross-Divisional Projects:** Funding of \$0.428 million is provided to address the recommendations from the Mayor’s Fiscal Review Panel on the need to create a high-level infrastructure unit to provide leadership and coordination for the City’s major capital projects that impact multiple program areas. This new service priority will add 4 temporary staff to help improve coordination and delivery of cross-divisional capital projects.
- **Increased Financial Management for Solid Waste Management:** Funding of \$0.179 million gross is recommended to support the transition of Solid Waste Management to a rate-based program in order to help achieve the City’s 70% diversion target. Full implementation to a rate-based program in 2009 will increase the complexity and size of the program requiring an increase of 2 permanent staff.
- For 2008, PPF&A is projecting a year-end net expenditure of \$22.361 million which is on target with the 2008 Approved Budget of \$22.361 million. The restructuring of PPF&A is in the final phase of implementation and vacant positions are expected to be filled by year-end. Savings as a result of holding positions vacant will be offset by over spending for utilities. As a result, it is projected that the Program will be on budget by year-end.

Table 1: 2009 Recommended Budget

	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/ Enhanced	2009 Operating Budget			2010	2011
	\$	\$	\$	\$	\$	\$	%	\$	\$
(In \$000s)									
GROSS EXP.	39,406.2	39,406.2	39,357.3	2,946.6	42,303.9	2,897.7	7.4	1,024.6	545.6
REVENUE	17,045.1	17,045.1	17,568.2	2,946.6	20,514.8	3,469.7	20.4	489.7	0.0
NET EXP.	22,361.1	22,361.1	21,789.1	0.0	21,789.1	572.0	2.6	534.9	545.6
Approved Positions	395.2	395.2	395.2	33.8	429.0	33.8	8.6		
TARGET			21,913.9		21,913.9				
\$ Over / (Under) Program Target			(124.8)		(124.8)				
% Over / (Under) Program Target			-0.6%		-0.6%				

- The 2009 Recommended Operating Budget for PPF&A is \$21.789 million net and is \$0.125 million or 0.6% below the 2009 target of \$21.914 million net which is 2% below the 2008 Approved Operating Budget of \$21.914 million net.
- The 2009 Recommended Operating Budget for PPF&A is comprised of base funding of \$39.357 million gross and \$21.789 million net and new/enhanced service priority funding of \$2.947 million gross and \$0 net. Approval of the 2009 Recommended Operating Budget will result in the Program’s staff complement increasing by 33.8 positions to 429 approved positions.

- The 2010 Outlook anticipates a net increase of \$0.535 million in operating costs which includes merit and step adjustments for 2010. The 2011 Outlook anticipates a net increase of \$0.546 million in operating costs for merit and step adjustments for 2011.
- The 2009 Recommended Base Budget funds the Program's key cost drivers, non-discretionary expenditures for including the annualized cost of living adjustments (COLA) from 2008 and merit and step increases that total \$0.805 million. These costs have been offset by efficiencies of \$0.497 million in non-staffing costs and overtime along with increased interdivisional recoveries from Toronto Water and Solid Waste of \$0.523 million to more accurately reflect PPF&A support to those Programs.
- The 2009 Recommended Operating Budget provides \$5.158 million in base and new funding for a broad range of priority actions for services and activities that advance the Mayor's Mandate and Council's policy agenda. These include:
 - ***Continue to manage the city efficiently and responsibly:*** base and new funding of \$5.159 million gross and \$0 net, which includes:
 - Increased financial management for Solid Waste Management to support the full implementation of the rate-based program to help achieve the City's 70% diversion target. Funding of \$0.179 million gross is provided for this priority action.
 - Funding of \$3.536 million gross for capital resources for Information Technology projects that upgrade and update computerized systems to provide clients with easier access to better information on a timely basis.
 - Funding of \$0.429 million gross to establish the Major Capital Infrastructure Unit to improve coordination and efficiency of capital delivery between City divisions.
 - Financial and Administrative Enhancements for Toronto Water to address recommendations from the Auditor General review to improve internal controls. Funding of \$1.015 million gross is provided for this priority action.
- The 2009 Recommended PPF&A Operating Budget provides funding for:
 - Four additional staff positions for the establishment of the Major Capital Infrastructure Unit as recommended by the Mayor's Fiscal Review Panel that will be responsible for improving coordination of cross-divisional major capital projects. The improved capital coordination between City Programs will help to improve capital delivery rate of projects.
 - Increased financial and administrative enhancements which includes an additional thirteen new staff for Toronto Water to address internal control weaknesses identified by the Auditor General in order to ensure effectiveness of services delivery.
 - Base funding for 25 temporary and 14.8 new temporary staff needed to implement information technology projects that will improve efficiency and effectiveness of service delivery for various City programs. Some of the information technology projects include expanding ML&S services online to decrease wait times, systems to improve inter-divisional

workflows between City programs to increase efficiency and the replacement of the current mainframe application that will save an estimated \$0.460 million per year in operating costs.

- Two additional staff are provided to increase financial management for Solid Waste Management to ensure successful roll out of the rate-based program in order to help achieve the City's 70% diversion target.
- Continue to process payroll for over 9,000 Cluster B employees.
- Processing of \$150 million in accounts receivable transactions and 18,000 purchase orders annually
- Information Technology support for 8,245 users located at over 198 different locations.

Recommendations

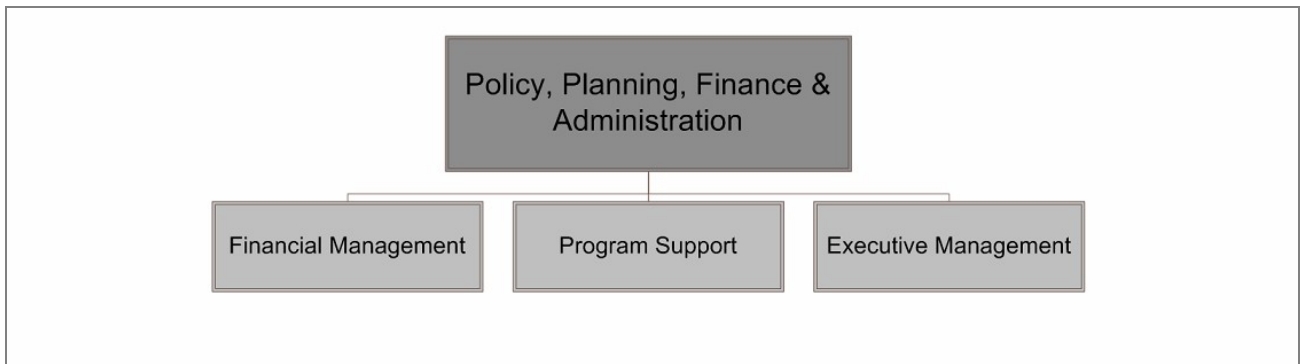
The City Manager and Acting Chief Financial Officer recommend that:

- 1. Council approve the 2009 Recommended Operating Budget for Policy, Planning, Finance and Administration (PPF&A) of \$42.304 million gross and \$21.789 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Financial Management	9,862.7	5,560.1
Program Support	30,588.6	14,804.9
Executive Management	1,852.6	1,424.1
Total Program Budget	<u>42,303.9</u>	<u>21,789.1</u>

- PPF&A provides centralized financial and administrative support to the Deputy City Manager and Cluster B divisions so they can focus on providing services to the residents and businesses in the City of Toronto. Cluster B divisions include Transportation Services, Toronto Water, Toronto Building, City Planning, Solid Waste Management, Fire Services and Municipal Licensing and Standards. PPF&A is organized into three main services: Financial Management; Program Support; and Executive Management. Financial Management includes budget preparation for Cluster B divisions, financial analysis and advice, internal controls and compliance with corporate policies and procedures and management reporting on financial measures. Program Support services provides complement management and reporting, communications support for Cluster B, general administrative and office support and management reporting on human resource measures. Executive Management supports strategic, business and service planning, provides coordination and collaboration between programs and clusters.

Program Map



Service Challenges and Opportunities

PPF&A provides financial and administrative support for the programs within Cluster B. Many of the challenges and opportunities that affect the various programs such as Solid Waste, Toronto Water and Transportation Services will have a direct effect on the workload of PPF&A staff. Some of the challenges and opportunities that affect Cluster B programs include implementing the rollout of the rate-based program for Solid Waste, addressing financial control weaknesses in Toronto Water identified by the Auditor General and improving capital coordination within Cluster B. Given the current economic climate in 2009, the major challenge for PPF&A is to be able to meet the needs of client divisions in a constrained financial environment.

The ability to meet the challenge of maintaining service levels, given the current economic climate is dependent on improving the effectiveness and efficiency of service delivery of PPF&A. Opportunities arising from this challenge include the following for PPF&A:

- To work more closely with divisions to assist them in meeting their service challenges.
- To find efficiencies to provide more support with the same resources.

- To provide input on corporate policies and procedure development to ensure the needs of client divisions are met.

Service Objectives

The service objectives for PPF&A address the challenges and opportunities outlined above, and primarily reflect the Program's commitment to provide service which meets or exceeds client expectations. The following section outlines the key service objectives over the next 3 years:

1. Finding efficiencies by centralizing and standardizing service delivery to Cluster B divisions.
2. Providing harmonized services to Cluster B divisions
3. Supporting transition of Customer Service unit to the new 3-1-1 call centre.
4. Transferring PPF&A Information Technology staff to the new centralized corporate model.
5. Enhancing management reporting to Cluster B divisions.
6. Working with Toronto Water to address financial control weaknesses identified by the Auditor General.
7. Working with Solid Waste Management to ensure smooth transition to a rate-based program.
8. Improving coordination of cross-divisional capital projects.

Priority Actions

The 2009 Recommended Operating Budget provides \$5.159 million gross in base and new funding for a broad range of priority actions for services and activities that advance the Mayor's Mandate and Council's policy agenda. These include:

- Reviewing all internal processes in Cluster B for efficiency, effectiveness and compliance with internal controls in order to address the challenge of finding efficiencies to provide more support with the same amount of resources.
- Establishing service standards and service level agreements with Cluster B Programs to ensure harmonized services.
- Developing enhanced Cluster B management reporting models, tools and efficiency and effectiveness performance measures for PPF&A to ensure efforts to address challenges are achieving the desired results.

Continue to manage the city efficiently and responsibly: base and new funding of \$5.159 million gross, which includes:

- Funding of \$3.536 million gross for Information Technology projects that upgrade and update computerized systems to provide clients with easier access to better information on a timely basis will improve efficiency and effectiveness of City services to the public.
- Financial and Administrative Enhancements requiring funding of \$1.015 million gross for Toronto Water will improve compliance with internal controls.
- Funding of \$0.179 million gross will increase financial management support for Solid Waste to support the full implementation and improve the effectiveness of the rate-based program in 2009.
- Major Capital Infrastructure Unit requiring \$0.429 million gross funding to improve coordination and efficiency of capital delivery rate between City divisions.

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXP.	39,242.8	39,406.2	39,406.2	0.0	0.0
REVENUES	17,247.4	17,045.1	17,045.1	0.0	0.0
NET EXP.	21,995.4	22,361.1	22,361.1	0.0	0.0
Approved Positions	434.3	395.2	395.2	0.0	0.0

Note * Source PPF&A's 2008 Third Quarter Operating Budget Variance Report.

2008 Experience

PPF&A reported a year-to-date favourable net variance of \$1.507 million or 9.9% of planned expenditures for the nine months ended September 30, 2008.

- This favourable variance was due to the restructuring of PPF&A which had delayed the hiring for a large number of vacant positions. The recruitment process is now underway to fill a number of these positions and the Program is projecting to be at full complement by year-end.
- PPF&A is projecting to be on budget by year-end.
- Much of the under-spending in the first nine months resulted from the delay in filling vacant positions. This under-spending is expected to be offset by over-spending in utility costs estimated to be overspent by \$0.500 million at year-end. A review is underway to discuss the potential transfer of the Utility budget to the respective tenants of the various shared facilities for which PPF&A has been paying hydro, water and gas. Since amalgamation, PPF&A has been used as the place holder for the budget and continues to pay for facilities that are shared by Solid Waste Management, Toronto Water and Transportation Services.

Impact of 2008 Operating Variance on the 2009 Recommended Budget

Some of the savings in other expenditures experienced in 2008 have been reflected as recommended reductions for 2009 in order to better reflect actual expenditures experienced in 2008.

Table 3: 2009 Recommended Base Budget

(In \$000s)	2008 Appvd. Budget	2009 Recommended Base	Change 2009 Recommended Base v. 2008 Appvd. Budget		FY Incremental Outlook	
					2010	2011
	\$	\$	\$	%	\$	\$
GROSS EXP.	39,406.2	39,357.3	(48.9)	(0.1)	534.9	545.6
REVENUE	17,045.1	17,568.2	523.1	3.1	0.0	0.0
NET EXP.	22,361.1	21,789.1	(572.0)	(2.6)	534.9	545.6
Approved Positions	395.2	395.2				
NET TARGET		21,913.9				
\$ Over / (Under) Program Target		(124.8)				
% Over / (Under) Program Target		-0.6%				

2009 Recommended Base Budget

The 2009 Recommended Base Budget for PPF&A is \$21.789 million net and is under the 2009 target by \$0.125 million or 0.6% of \$21.914 million net which is 2% less than the 2008 Approved Operating Budget. The 2009 Recommended Base Budget will largely serve to maintain service levels offered in 2008.

Gross Expenditures decreased by \$0.049 million or 0.1% for PPF&A. This is largely attributed to increase in non-discretionary cost of labour of \$0.805 million that has been more than offset by savings in non-staffing efficiencies and overtime of \$0.788 million, the transfer of 3-1-1 staff anticipated for 2009 of \$0.040 million and additional gapping of \$0.030 million.

Revenues increased by \$0.523 million in the 2009 Recommended Operating Base Budget for PPF&A due to the increase in interdivisional recoveries from Toronto Water and Solid Waste in order to more accurately align cost recovery with services rendered by PPF&A.

The 2009 Recommended Base Budget includes 395.2 approved positions. This represents no change to the approved staff complement in 2008.

2009 Key Cost Drivers and Reduction Strategies

The following is a summary of the key cost drivers and reduction strategies in 2009:

- Non-discretionary costs of labour which includes annualized COLA from 2008 and the wage harmonization settlement with Local 79, effective December 31, 2008 result in additional costs of \$0.398 million net and merit and step increases of \$0.524 million net.

The cost drivers noted above are more than off-set by the following savings included in the 2009 Recommended Base Budget:

- Savings of \$0.788 million net in non-staffing efficiencies and overtime.
- Increase in revenue for inter-divisional recoveries from Solid Waste Management and Toronto Water in the amount of \$0.523 million net.
- Reduction of 1 work day in 2009 of \$0.118 million net.
- Increased gapping of \$0.030 million net.

2010 and 2011 Outlook: Net Incremental Impact

The 2010 and 2011 Outlook maintains the projected 2009 level of service while managing the cost of merit/step increments for union and non-union staff. This results in an incremental impact of \$0.535 million net for 2010 and \$0.546 million net for 2011.

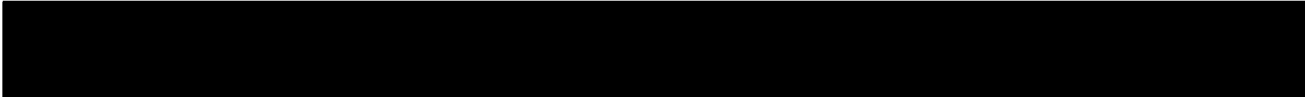


Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Description	2009 Recommended		Rec. New Positions	Net Incremental Impact	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$	#	\$	\$
Enhanced Services:					
(a) Enhanced Services - Council Approved:					
Major Infrastructure Unit	428.5	0.0	4.0		
Financial and Administrative Enhancements	1,015.0	0.0	13.0		
(b) Enhanced Services - Program Initiated:					
Sub-Total Enhanced Services	1,443.5	0.0	17.0		
New Services:					
(a) New Services - Council Approved:					
(b) New Services - Program Initiated:					
Information Technology Initiatives					
Animal Services Electronic Communications	223.9	0.0	2.5		
ePET Enhancement - Veterinary Clinic Assisted Pet Registration	93.7	0.0	1.0		
Licensing System Enhancements	90.0	0.0	1.0		
eService for ML&S	168.5	0.0	1.8		
Zoning By-Law Review Project Support	45.3	0.0	0.5		
Planning IBMS/LUIS II Intergration for Decisions&Outcomes	86.1	0.0	1.0		
Planning Technology Enhancements-CPIT IBMS Phase 2 Follow-up	158.4	0.0	2.0		
Cross Divisional System Advancement	45.3	0.0	0.5		
Torotno Building New Sign By-law	43.1	0.0	0.5		
TMMS Uniface Upgrade	86.1	0.0	1.0		
Mainframe Application Replacement	181.1	0.0	2.0		
Document Mangement System	102.6	0.0	1.0		
Sub-Total Information Technology Initiatives	1,324.1	0.0	14.8		
Financial Management	179.0	0.0	2.0		
Sub-Total New Services	1,503.1	0.0	16.8		
Total New/Enhanced Services	2,946.6	0.0	33.8		

2009 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priority Actions – Council Directed:

Major Infrastructure Unit (\$0.429 million gross and \$0 net)

On February 21, 2008, the Mayor's Fiscal Review Panel recommended in their report "A Blueprint for Fiscal Stability and Economic Prosperity – A Call to Action", the need to create a new high-level infrastructure unit, headed by a new Senior Officer for Infrastructure for the City and the ABCD's where permitted. In response to the report, a Director, Major Capital Infrastructure Coordination was hired reporting to the Deputy City Manager for Cluster B in order to provide high level leadership and coordination for the City's major capital projects that impact multiple program areas. The PPF&A and Technical Services programs provide support and coordination for many of the City Programs involved in major capital infrastructure projects such as Transportation Services and Toronto Water. It was recommended that the Major Capital Infrastructure Unit reside within the PPF&A Operating Budget and be funded from savings in the 2008 Approved and future years Technical Services' Operating Budgets. The 2009 PPF&A Recommended Operating Budget includes an increase of 4 temporary positions for the final implementation of the unit at a gross cost of \$0.429 million and full year impact of \$0.445 million in 2010 will be funded through an interdivisional recovery from Technical Services. It is forecasted that an additional temporary position funded by Technical Services will be required in April 2010 at a gross cost of \$0.085 million. In order to meet the target of -2% of the 2008 Approved Budget, Technical Services has realigned resources within the program to ensure funding for the increase of 4 positions will have no net impact to the City.

Financial and Administrative Enhancements (\$1.015 million gross and \$0 net)

Council approved the Auditor General's recommendations contained in two reports AU4.2 *Toronto Water Division, Review of Wastewater Treatment Program – Phase One* and AU5.3 *Toronto Water Division, - Review of Wastewater Treatment Program – Phase Two* on October 22 and 23, 2007 and December 11, 12 and 13, 2007. The recommendations addressed the need to improve weaknesses in internal controls for payroll processing; overtime; attendance management; and, contract management.

The 2009 Recommended Operating Budget includes gross funding of \$1.015 million for 13 PPF&A positions to provide additional purchasing; financial; payroll; and, general administrative support to Toronto Water operations, effective April 1, 2009 to implement the Auditor General's recommendations. Incremental funding of \$0.330 million is required for 2010. The gross costs will be recovered from funding Toronto Water already approved in the Toronto Water's 2009 Operating Budget resulting in no net impact to the tax base.

New Service Priority Actions – Program Initiated:***Information Technology Initiatives (\$1.324 million gross and \$0 net)***

The PPF&A 2009 Recommended Operating Budget includes funding for 12 new service priority actions that increase staff required to implement capital projects that were approved as part of the 2009 Capital Budget. The new priorities include information technology projects that will upgrade and update computerized systems to provide clients with easier access to better information on a timely basis. Some of the enhancements resulting from these initiatives include improvements to the current ePet system so veterinary clinics can perform bulk pet registrations, eService for ML&S to decrease customer wait times and increase staff productivity and enhancements to IBMS for City Planning to improve workflows with other programs and harmonize business practices throughout City Planning. The costs of these priorities will be fully funded through capital recoveries included in the 2009 Approved PPF&A Capital Budget resulting in a \$0 net impact on PPF&A's 2009 Recommended Operating Budget. The gross expenditure in 2009 is \$1.324 million, requiring an increase of 14.8 temporary positions to support capital projects, effective April 1, 2009.

Financial Management (\$0.179 million and \$0 net)

The growth in size and complexity of the Solid Waste Management Budget resulting from the shift to a rate-based Program in order to achieve the 70% waste diversion target has resulted in the need for additional PPF&A support. PPF&A is increasing support for the Program by hiring 2 additional permanent Budget Analysts effective April 1, 2009 in order to ensure that financial reporting and timely preparation of budgets and service plans continue. The full cost of this new and enhanced service priority in 2010 is \$0.238 million and will be recovered through an inter-divisional charge to Solid Waste Management.

2009 Budget Issues

2009 Recommended Operating Budget vs. Guideline

The 2009 Recommended PPF&A Operating Budget in the amount \$21.789 million net is \$0.125 million or 0.6% below the 2009 target of \$21.914 million net which is 2% less than the 2008 Approved Operating Budget of \$22.361 million.

2009 Reduction Options

To mitigate pressures, the 2009 Recommended PPF&A Operating Budget incorporate, the following:

- A reduction in the amount of \$0.527 million net, mainly comprised of non-staffing efficiencies is recommended which reduced the 2009 Recommended PPF&A Operating Budget below the 2009 target by \$0.008 million net which is 2% less than the 2008 Approved Operating Budget . This resulted from an extensive review of actual expenditures impacted by organizational restructuring that occurred in PPF&A in 2008.

Appendix A

2009 Recommended Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	451.2	45,267.2	19,054.5	26,212.7		
In-year approvals and technical adjustments	(56.0)	(5,911.8)	(2,009.4)	(3,902.4)		
Corporate adjustments		50.8		50.8		
2008 Approved Operating Budget	395.2	39,406.2	17,045.1	22,361.1		
Prior year impacts		805.2		805.2	534.9	545.6
Zero base items						
Economic factors						
Adjusted Base Budget	395.2	40,211.4	17,045.1	23,166.3	534.9	545.6
Other base changes		(326.9)		(326.9)		
Base revenue changes			523.1	(523.1)		
Recommended Service Level Adjustments:						
Base changes						
Service efficiencies		(527.2)		(527.2)		
Revenue adjustments						
Minor service impact						
Major service impact						
Total Recommended Base Adjustments		(854.1)	523.1	(1,377.2)		
2009 Recommended Base Budget	395.2	39,357.3	17,568.2	21,789.1	534.9	545.6
2009 Program Operating Target				21,913.9		
% Over (Under) Program Target				-0.6%		
% Over (Under) 2008 Appvd. Budget				-2.6%		

Appendix B

Summary of Service Level Adjustments

Appendix C

**Summary of 2009 Recommended New/Enhanced
Service Priority Actions**

Appendix D

Program Summary by Expenditure Category

PROGRAM: Policy, Planning, Finance and Administration							
	2008	2008	2009	Change from		2010	2011
	Approved	Projected	Recommended	2008 Approved		Outlook	Outlook
	Budget	Actuals	Budget	Budget	Budget		
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	31,822.5	31,822.5	35,410.8	3,588.3	11.3%	36,435.4	36,981.0
Materials and Supplies	1,955.1	1,955.1	1,796.3	(158.8)	(8.1%)	1,796.3	1,796.3
Equipment	1,216.8	1,216.8	785.6	(431.2)	(35.4%)	785.6	785.6
Services & Rents	3,136.8	3,136.8	3,048.9	(87.9)	(2.8%)	3,048.9	3,048.9
Contributions to Capital							
Contribution to Res/Res Fund	200.9	200.9	180.9	(20.0)	(10.0%)	180.9	180.9
Other Expenditures	30.0	30.0	30.0	0.0	0.0%	30.0	30.0
Interdepartmental Charges	1,044.2	1,044.2	1,051.4	7.2	0.7%	1,051.4	1,051.4
TOTAL GROSS EXPENDITURES	39,406.3	39,406.3	42,303.9	2,897.6	7.4%	43,328.5	43,874.1
Interdepartmental Recoveries	12,651.1	12,651.1	14,731.3	2,080.2	16.4%	15,221.0	15,221.0
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations							
Transfers from Capital Funds	4,394.0	4,394.0	5,783.5	1,389.5	31.6%	5,783.5	5,783.5
Contribution from Res Funds							
Contribution from Reserves							
Sundry Revenues							
TOTAL REVENUE	17,045.1	17,045.1	20,514.8	3,469.7	20.4%	21,004.5	21,004.5
TOTAL NET EXPENDITURES (EXCLUDING CAPITAL FINANCING)	22,361.2	22,361.2	21,789.1	(572.1)	(2.6%)	22,324.0	22,869.6
APPROVED POSITIONS	395.2	395.2	429.0	33.8	8.6%	430.0	430.0

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Balance as of December 2008 \$	Proposed Withdrawals (-) / Contributions (+)		
			2009 \$	2010 \$	2011 \$
Fleet Reserve Projected Contributions	XQ1301	631.0	80.0		
Total Reserve / Reserve Fund Draws / Contributions			80.0		
Insurance Reserve Projected Contributions	XR1010	27,775.0	101.0		
Total Reserve / Reserve Fund Draws / Contributions			101.0		