

# Analyst Briefing Notes

## Budget Committee

(February 10, 2009)

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## Executive Summary

- Social Development, Finance and Administration (SDFA) provides leadership and support to the Deputy City Manager (DCM) for Citizen Centred Services “A” Cluster, and City Council to promote social inclusion, foster safe neighbourhoods and communities, promote community engagement and advance life skill opportunities for youth. The Program also provides support to the DCM and Cluster A Programs through cluster oversight, management support and reviews, financial reporting and expenditure control, revenue and subsidy management and other financial and administrative services.
- SDFA faces a number of challenges and opportunities over the next three years to achieve the ultimate goal of improving and enhancing the quality of life of City of Toronto residents. These challenges include the following:
  - the current state of the economy combined with diminishing financial support from all orders of governments contribute to challenges of SDFA effectively supporting the Mayor’s strategic priorities to create better outcomes for neighbourhoods including expanding youth employment opportunities; and advancing council approved strategic plans such as the Social Development Strategy, the Community Safety Plan, Toronto Strong Neighbourhoods Strategy and the revitalization of TCHC communities.
  - as the population and the incidence of poverty keeps growing combined with increased expectations on social policy/planning resources to respond to increased social needs, the Program is faced with significant pressures to address these needs especially with limited resources.
  - the current system of human services delivery of community programs, both by the City and by community organizations, is large, complex and often fragmented. The Program is faced with the challenge of developing an integrated approach that will promote horizontal collaboration, effectiveness and accountability.

Opportunities for the City are also emerging with new initiatives from the federal and provincial governments such as the possible implications of the Province of Ontario’s Roots of Youth Violence Panel Report and Poverty Reduction Strategy, TDSB (Toronto District School Board) Safe Schools Reports and the new models of investment in disadvantaged communities which may result in more aligned strategic investment in the City’s priority neighbourhoods.

- To address its commitment to improve the quality of life for all residents in Toronto, SDFA has established the following key service objectives over the next 3 years:
  - to develop the Community Partnership Strategy in collaboration with other orders of government, the community and the private sector. This includes the implementation of a multi-year strategic plan for neighbourhood infrastructure investment, particularly in the 13 priority neighbourhoods.

- to develop a neighbourhood vitality index in order to assess and track conditions in Toronto neighbourhoods.
  - to further develop City capacity for local service planning and delivery by implementing employment, settlement and children's service initiatives and providing funding to support local activities (neighbourhood action).
  - to utilize City's Youth Employment Partnership network and city/community partners to outreach to youth, focusing on youth in 13 priority neighbourhoods.
  - to facilitate the revitalization of TCHC communities through successful planning and community development work.
- The 2009 Recommended Operating Budget includes funding for priority actions which address S DFA's challenges and service objectives identified above:
    - To further expand youth employment opportunities, S DFA will develop and implement the Youth Gang Prevention Pilot Project with 2009 funding of \$1.5 million gross and \$0 net (fully funded by the Government of Canada's Youth Gang Prevention Fund), aimed at preventing youth gang activity in Toronto. It will provide supports to address youth/family need for resources such as housing, education, youth employment, and positive community involvement.
    - To enhance and improve priority neighbourhoods across the City, S DFA's service priority actions include:
      - management of 13 neighbourhood action teams and support of the Tri-Level structure of collaboration to further identify investment opportunities and priorities at the neighbourhood level.
      - administration of the Community Services funding and the corporate coordination of the Community Partnership and Investment Program (CPIP), community based services that are funded through partnership and investments programs activities which support the City's Strategic Plan, and addresses specific Council Priorities.
      - project management and coordination of the implementation of Regent Park and the planning of Lawrence Heights through the Revitalization Secretariat established to support the City-TCHC revitalization partnership.
      - continued efforts to seek strategic partners for initiatives that help support City programs and services designed to improve the quality of life for the City's residents by supporting services that ensure prosperity, liveability, and opportunity for all residents in the City.
  - For 2008, S DFA is projecting a year-end favourable net variance of \$0.090 million net or 0.6% of the 2008 Approved Budget. The favourable net expenditure variance is mainly due to payroll savings as a result of staff vacancies. These savings will not continue into 2009 as these positions are expected to be filled by year-end 2008.

Table 1: 2009 Recommended Budget

	2008		2009 Recomm'd Operating Budget			Change - 2009 Recommended Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008 Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/ Enhanced	2009 Operating Budget			2010	2011
(In \$000s)	\$	\$	\$	\$	\$	%		\$	\$
<b>GROSS EXP.</b>	26,347.3	25,027.3	25,758.9	1,500.0	27,258.9	911.6	3.5	484.2	371.3
<b>REVENUE</b>	10,229.4	8,999.6	9,963.3	1,500.0	11,463.3	1,233.9	12.1	111.2	114.2
<b>NET EXP.</b>	16,117.9	16,027.7	15,795.6	0.0	15,795.6	(322.3)	(2.0)	373.0	257.1
<b>Approved Positions</b>	204.8	204.8	199.8	3.0	202.8	(2.0)	(1.0)	0.0	0.0
<b>TARGET</b>			<b>15,795.6</b>		<b>15,795.6</b>				
<b>\$ Over / (Under) Program Target</b>			<b>0.0</b>		<b>0.0</b>				
<b>% Over / (Under) Program Target</b>			<b>0.0%</b>		<b>0.0%</b>				

- The 2009 Recommended Operating Budget for Social Development, Finance and Administration of \$15.796 million net is at the 2009 target, established at 2% less than the 2008 Approved Operating Budget.
- The 2009 Recommended Operating Budget of \$27.259 million gross is comprised of base funding of \$25.759 million gross and \$15.796 million net and \$1.5 million gross and \$0 net for a new / enhanced service priority, fully funded by the Government of Canada's Youth Gang Prevention Fund. The 2009 Recommended Operating Budget of \$15.796 million net includes service level efficiencies and minor service level reductions of \$0.490 million net.
  - The net increase of \$0.373 million projected in 2010 includes funding for merit and step increases as well as the reversal of the one-time gapping implemented in 2009 to help achieve the 2009 target. The net increase of \$0.257 million in 2011 is comprised of ongoing merit and step increases. The 2010 and 2011 Outlooks do not include a provision for COLA as this is subject to future negotiations.
- The 2009 Recommended Operating Budget includes a net reduction of 2 positions, decreasing the staffing complement from 204.8 to 202.8 approved positions. The net decrease of 2 positions is the result of the following:
  - a decrease of 3 positions for the EASE program that ended in September 2008;
  - a decrease of 2 positions for the WHO-Safe Community Designation project which did not proceed as funds were not received in 2008; and,
  - an increase of 3 temporary positions to develop and implement the recommended new service priority, the Youth Gang Prevention Pilot Project.
- The 2009 Recommended Operating Budget of \$15.796 million incorporates the Program's key cost drivers including merit / step increases and the annualized impact of the 2008 COLA of \$0.347 million. These base pressures are more than offset by the reversal of the extra working

day in 2008, and recommended service efficiencies of \$0.368 million and service level reductions of \$0.122 million. The Program achieved its 2009 target of minus 2% of the 2008 Approved Operating Budget.

- Reduction strategies to be implemented by SDFA in 2009 include increased one-time gapping of \$0.122 million, unallocated service efficiencies of \$0.200 million as a result of the Program's ongoing organizational restructuring, a reduction of \$0.046 million for inflationary increase for all non-labour costs to be absorbed by the Program, and a reduction in funding of \$0.122 million for community safety promotional activities (i.e. reduce City Watch recognition awards from monthly to annually; reduce/postpone community safety audits pending discussion with other city programs).
- To further support the Mayor's mandate and Council's policy agenda, SDFA's 2009 Recommended Operating Budget provides funding for the following priority actions:

#### ***Making a Safe City Safer***

- support the Mayor's Advisory Panel on Making a Safe City Safer, including strategic support to various initiatives which include reducing gun violence, accelerated skill development for youth and post-secondary supports, youth-police relations, working with the youth justice sector, inter-faith communities, and ensuring supports to witnesses of crime and young women vulnerable to violence, and advancing sustainable funding for community prevention.
- develop youth strategies that focus on anti-violence intervention, public interest partnerships for youth employment and expanding training apprenticeships for young people.

#### ***Making a Stronger Economy***

- build new partnerships with businesses, not-for-profit organizations, community groups and resident associations to help support City programs and services designed to improve the quality of life for City residents.
- The 2009 Recommended Operating Budget will continue to fund the following services:
  - provide services to 3,750 youths through youth employment initiatives particularly in the 13 priority neighbourhoods.
  - process 735 applications and award 575 funding agreements through partnerships and collaborations with community agencies to develop more opportunities, integrated services and facilities in priority neighbourhoods.
  - process an estimated \$1.5 billion subsidy claims for cost shared programs and projects from the federal and provincial governments.
  - implement the City's Community Safety Plan focusing on youth opportunities and crisis response.
  - provide project management support for a wide range of community, corporate and Council initiatives to increase civic engagement in community service related areas. Community

development activities includes developing youth employment training and engagement programs and services, leading community regeneration and service coordination in priority neighbourhoods, and direct administration of community services funding and corporate coordination of the CPIP.

- develop new relationships with new partners to help support City programs and services designed to improve the quality of life for City's residents.
- provide support to the DCM and Cluster "A" Programs through cluster oversight, management support and reviews, consultation and analysis, financial reporting and expenditure control, revenue and subsidy management, financial and administrative services.

**Recommendations**

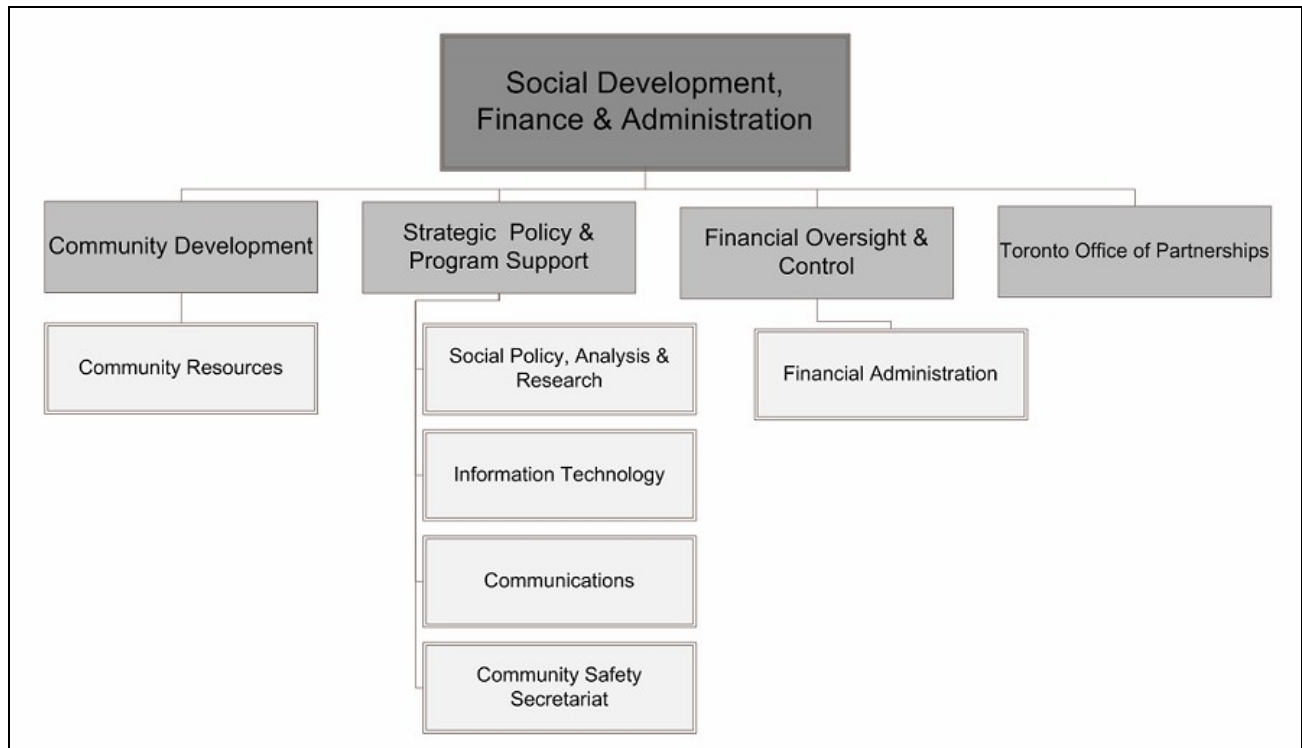
The City Manager and Acting Chief Financial Officer recommend that:

1. Council approve the 2009 Recommended Operating Budget for Social Development, Finance and Administration of \$27.259 million gross and \$15.796 million net, comprised of the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Financial Oversight and Control	13,960.2	8,575.6
Strategic Policy & Program Support	7,031.9	4,008.4
Community Development	5,735.2	2,680.0
Toronto Office of Partnership	531.6	531.6
	<hr/>	<hr/>
Total Program Budget	27,258.9	15,795.6
	<hr/>	<hr/>

Social Development, Finance and Administration (SDFA) provides leadership and support to the Deputy City Manager of the Citizen Centered Services "A" Cluster and City Council to develop and implement a social inclusion and community safety agenda for City of Toronto, foster safe and strong neighbourhoods and communities and promote community engagement and advance life skill opportunities for youth. Through the Community Partnership & Investment Program (CPIP), the Community Safety Secretariat, and Youth Employment programs, the Program identifies and responds to community social needs, undertakes social planning and trend analysis, and develops social policy responses. The Program also provides financial and administrative support and oversight as well as Information Technology (IT) and communication support to 10 programs under Cluster "A".

### Program Map





## Service Challenges and Opportunities

The City's Social Development Strategy involves a number of strategic directions that is directed towards realizing Toronto's social developments goals, i.e. providing social equity, social well-being and citizen engagement, important factors in achieving healthy communities and enhancing the quality of life in Toronto. As part of its mandate, S DFA is tasked in advancing these goals and is faced with following service challenges and opportunities:

### External Service Drivers:

- **Mayor/Council Priorities:** S DFA is committed to creating better outcomes for neighbourhoods and population, making neighbourhoods safer, stronger and more inclusive. This includes expanding youth initiatives in the 13 priority areas identified by City Council. These activities are closely aligned with the Mayor's strategic priorities and City Council's policy directives.
- **Approved Strategic Plans:** S DFA plays an important role in advancing several strategic plans which includes the City's Social Development Strategy, the Community Safety Plan, as well as the revitalization of TCHC communities.
- **Service Demands:** As the population continues to grow, so will the needs of City of Toronto residents. The increased expectations to respond to the increase service needs are placing significant pressures on the Program especially with diminishing funding resources from all levels of government.
- **Human Services:** Toronto's system of human services – those delivered by the City and by community organizations – is large, complex and often fragmented. Finding an integrated approach that will promote effectiveness and accountability is always a continuing challenge. The City's investment in the Neighbourhood Action initiative has been an effective process for collaboration and integrated service planning and delivery, however, dedicated and flexible resources to test and implement new service initiatives are lacking.

### Opportunities:

Opportunities for the City are also emerging with new initiatives from the federal and provincial governments such as the possible implications of the Province of Ontario's Roots of Youth Violence Panel Report and Poverty Reduction Strategy, TDSB (Toronto District School Board) Safe Schools Reports and the new models of investment in disadvantaged communities which may result in more aligned strategic investment in the City's priority neighbourhoods.

## Service Objectives

SDFA has established the following service objectives that address the service challenges and opportunities identified above and also support Council's strategic priorities, many directed towards the 13 priority neighbourhoods and youth employment initiatives:

- to develop the Community Partnership Strategy that requires partnerships with other orders of government, the community and the private sector. This includes the implementation of a multi-year strategic plan for neighbourhood infrastructure investment, particularly in the 13 priority neighbourhoods.
- to further develop City capacity for local service planning and delivery by implementing employment, settlement and children's service initiatives and providing funding to support local activities (neighbourhood action)
- to provide strategic policy, planning and program development, including communications support, that facilitates horizontal collaboration/coordination of the City's social inclusion framework.
- to identify and increase investment opportunities in priority neighbourhoods through collaborative partnership with 13 Neighbourhood Action Teams.
- to utilize City's Youth Employment Partnership network and city/community partners to outreach to youth, focusing on youth in 13 priority neighbourhoods
- to facilitate the revitalization of TCHC communities through successful planning and community development work.
- To continue to seek strategic partners for initiatives that help support City programs and services.

## Priority Actions

The 2009 Recommended Operating Budget of \$27.259 million gross and \$15.796 million net provides base and new funding for SDFA to provide a broad range of services and activities that will improve the social prospects and conditions for residents of the City of Toronto. The following service priorities address the Mayor's mandate and Council's policy agenda:

### *Making a Safe City Safer*

- The Community Safety Secretariat provides support to the Mayor's Advisory Panel on Making a Safe City Safer, including strategic support to various initiatives which include reducing gun violence, accelerated skill development for youth and post-secondary supports, youth-police relations, working with the youth justice sector, inter-faith communities, and ensuring supports to witnesses of crime and young women vulnerable to violence, and advancing sustainable funding for community prevention.

- SDFA manages 13 neighbourhood action teams that assist in identifying needs, assets and opportunities for investment specific to these areas that will address the City's social inclusion framework – a complex system of resources, programs, facilities and social networks.
- SDFA programs will continue to support individuals and neighbourhoods through a recession by providing employment and training supports to youth and working with residents and other stakeholders to mitigate the impacts on individuals, families and communities.

***Invest More in Youth***

- The development of youth strategies that focus on anti-violence intervention, public interest partnerships for youth employment, and expanding training apprenticeships and educational opportunities for young people

***Improve the Public Realm***

- Toronto Office of Partnership (TOP) was created in 2007 to build new partnerships with businesses, not-for-profit organizations, community groups and resident associations and individuals. TOP seeks strategic partners for initiatives that help support City programs and services designed to improve the quality of life for the City's residents and will provide a one-window service centre for organizations or citizens seeking partnerships with the City.
- The Revitalization Secretariat supports the City-TCHC revitalization partnership through project management and overall coordination of the implementation of Regent Park and the preliminary planning of Lawrence Heights.
- SDFA provides direct administration of Community Services funding programs and corporate coordination of the Community Partnership & Investment Program (CPIP)'s operating budget and policy (community use of City space and AOCC liaison). CPIP funding enhances the quality of life in the City of Toronto, through community capacity-building and service delivery.

***City-Based Measures to Address Gun Violence***

- The 2009 recommended funding of \$1.5 million gross and \$0 net for the new / enhanced service priority action, Toronto's Youth Gang Prevention Pilot Project, will augment community assets to support high risk youth. It will enhance the capacity of communities to reduce the presence of gang related activity in local areas and establish protective elements related to gang victimization.

**Table 2: 2008 Budget Variance Review**

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	26,908.5	26,347.3	25,027.3	(1,320.0)	-5.0%
<b>REVENUES</b>	11,679.5	10,229.4	8,999.6	(1,229.8)	-12.0%
<b>NET EXP.</b>	15,229.0	16,117.9	16,027.7	(90.2)	-0.6%
<b>Approved Positions</b>	228.8	204.8	204.8	0.0	0.0%

\*As of September 30, 2008

## 2008 Experience

As of the third quarter variance report, SDFA is projecting a year-end favourable variance of \$1.320 million gross and \$0.090 million net or 5.0% and 0.6% respectively of the 2008 Approved Operating Budget.

- The favourable gross under expenditure is mainly due to under spending in 100% externally funded Youth Employment programs, the WHO Safe Community Designation program and payroll & discretionary savings with a corresponding reduction in subsidies, revenues and inter-divisional recoveries.
- Projected net under expenditures are attributed mainly to payroll savings as a result of staff vacancies.

## Impact of 2008 Operating Variance on the 2009 Recommended Budget

The savings due to staff vacancies will not continue into 2009 as these positions are expected to be filled by the 4<sup>th</sup> quarter of 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
	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	26,347.3	25,758.9	(588.4)	(2.2)	484.2	371.3
<b>REVENUE</b>	10,229.4	9,963.3	(266.1)	(2.6)	111.2	114.2
<b>NET EXP.</b>	16,117.9	15,795.6	(322.3)	(2.0)	373.0	257.1
<b>Approved Positions</b>	204.8	199.8	(5.0)	(2.4)	0.0	0.0
<b>NET TARGET</b>		<b>15,795.6</b>				
<b>\$ Over / (Under) Program Target</b>		<b>0.0</b>				
<b>% Over / (Under) Program Target</b>		<b>0.0%</b>				

### 2009 Recommended Base Budget

- The 2009 Recommended Base Budget of \$15.796 million net is at the 2009 target of 2% less than the 2008 Approved Operating Budget.
- The gross base budget of \$25.759 million includes increased funding for merit and step increases and the annualized impact of the 2008 COLA. These increases are more than offset by the reversal of non-recurring 100% externally funded program expenditures and service efficiencies and minor service level reductions to achieve the 2009 target.
- The base revenue decrease of \$0.266 million is primarily due to the reversal of 100% externally funded programs that will not be implemented in 2009 i.e. the WHO Safety Designation Project and the EASE (Employment Access to Support Employees) program.
- The 2009 Recommended Base Budget includes 199.8 positions reflecting a reduction of 5 positions from the 2008 approved complement of 204.8 positions. This is due to the following:
  - The EASE program ended in September 2008 resulting in a reduction of 3 positions; and,
  - The WHO-Safe Community Designation project did not proceed as funds were not received in 2008 resulting in the reduction of 2 positions.

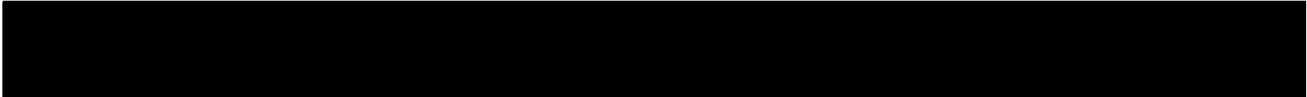
## 2009 Key Cost Drivers and Reduction Strategies

Key cost drivers for 2009 are:

- Salary cost increase of \$0.595 million includes merit and step increases and the annualized impact of the 2008 COLA;
- Inflationary increases for non-labour costs of \$0.093 million that will be fully absorbed by the Program to help achieve the 2009 target;
- These pressures are offset by the following:
  - reversal of non-recurring expenditures of \$0.589 million (extra working day in 2008), the WHO Community Safe Designation initiative, and the EASE program);
  - increase in Provincial subsidy to reflect the Provincial share of 50% for cost of administration of \$0.132 million; and
  - reduction in interdepartmental charges from City Clerks for multi-media and production services based on actual experience of \$0.093 million.
- To achieve the 2009 target, service efficiencies and minor service level reductions totaling \$0.537 million gross and \$0.490 million net are recommended:
  - Funding for community safety promotional activities under the Community Safety Initiative has been reduced by \$0.122 million gross and net that will impact the delivery of the City Watch Program recognition awards to annually instead of monthly, community safety audits will be reduced/postponed pending discussion with other city programs, and public education and awareness activities will be reduced;
  - The inflationary increase for all non-payroll expenditures totaling \$0.093 million gross and \$0.046 million net will be absorbed by the Program in 2009;
  - Service efficiencies are anticipated due to the ongoing organizational restructuring that will result in savings of \$0.200 million gross and net; and,
  - Gapping has been increased by \$0.122 million gross and net on a one-time basis (from \$0.524 million or 2.9% to \$0.646 million or 3.6%).

## 2010 and 2011 Outlook: Net Incremental Impact

The net increase of \$0.373 million in 2010 includes funding for merit and step increases required to maintain the 2009 level of service and the reversal of the one-time gapping of \$0.122 million implemented in 2009 to help achieve the 2009 Target of minus 2% under the 2008 Approved Operating Budget. The net increase of \$0.257 million in 2011 includes merit and step adjustments. The 2010 and 2011 Outlooks do not include a provision for COLA as this is subject to future negotiations.



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

Description	2009 Recommended		Rec. New Positions	Net Incremental	
	Gross Exp.	Net Exp.		2010	2011
	\$	\$	#	\$	\$
<b>Enhanced Services:</b>					
(a) Enhanced Services - Council Approved					
(b) Enhanced Services - Program Initiated					
<b>Sub-Total Enhanced Services</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>New Services:</b>					
(a) New Services - Council Approved					
Youth Gang Prevention Pilot Project	1,500	-	3.0		
(b) New Services - Program Initiated					
<b>Sub-Total New Services</b>	<b>1,500.0</b>	<b>0.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total New/Enhanced Services</b>	<b>1,500.0</b>	<b>0.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>

## 2009 Recommended New / Enhanced Service Priority Actions

### Enhanced Service Priority Actions – Council Approved

#### *Toronto's Youth Gang Prevention Pilot Project*

City Council at its meeting on September 24 and 25, 2008, adopted the recommendations included in a report from the Executive Director of Social Development, Finance and Administration entitled "Government of Canada Investment to Establish Youth Gang Prevention Project in Toronto: The recommendations stated that:

- 1) The City of Toronto receive funds from the Government of Canada's Youth Gang Prevention Fund in the amount of up to \$4,932,954 to support a new youth gang prevention pilot project; and,
- 2) The 2008 Operating Budget of Social Development, Finance and Administration be increased by \$100,000 gross and revenue to reflect the initial pilot project contribution and expenditure in 2008 from the Government of Canada's Youth Gang Prevention Fund, and that the balance of funds of up to \$4,832,954 be reported through the 2009 and subsequent operating budget process.

This project is in keeping with Council Directive #9 from EX 21.2 "City-Based Measures to Address Gun Violence" adopted by Council on June 23 and 24, 2008.

*"City Council direct the Deputy City Manager, Cluster A, in consultation with the Toronto Police Service, to work with staff from the National Crime Prevention Centre and other relevant federal and provincial ministries to facilitate approval of the City's application for funding for a 'gang exit' wrap around support initiative, in keeping with the goals of the National Crime Prevention Strategy."*

The City received approval on August 11, 2008 to establish a new multi-year pilot project aimed at preventing youth gang activity in Toronto that has a total project cost of \$4.933 million over a period of 3.5 years with \$0.100 million in 2008; \$1.500 million each year for 2009, 2010 and 2011, and the balance of \$0.333 million in 2012.

The Preventing Youth Gang Activity pilot project with 2009 funding of \$1.5 million gross and \$0 net will provide supports to address youth/family need for resources such as housing, education, youth employment, and positive community involvement. The project will work to strengthen protective factors by working collaboratively with parents, schools and community to provide the maximum possible intervention strategies for neighbourhood youth. The project will enhance the capacity of communities to decrease risk factors and increase protective factors related to gang victimization by augmenting community assets to support high risk youth and reduce the presence of gang related activity in affected areas.

The project contribution agreement includes a six month project development phase to develop a formal work plan (including program design and deliverables), establish a Project Advisory Committee to provide strategic direction to the project, and determine several contracted service providers for project delivery and evaluation. Details of the project model and implementation plan was reported by the Acting Director, Social Development, Finance and Administration to the Community Development and Recreation Committee at its meeting on February 6, 2009.

The 2009 Recommended Operating Budget includes funding of \$1.5 million gross, \$0 net for three temporary positions, a Manager, a Community Development Worker and a Support Staff and program costs.



## 2009 Budget Issues

### 2009 Recommended Operating Budget vs. Guideline

The 2009 Recommended Operating Budget of \$15.796 million net meets the 2009 target which is minus 2% of the 2008 Approved Operating Budget of \$16.118 million. SDFa implemented service efficiencies and minor service level reduction in the amount of \$0.537 million gross and \$0.490 million net to help achieve the 2009 target. These reduction strategies are as follows:

#### Minor Service Level Reduction:

- The Program identified a reduction in funding of \$0.122 million gross and net that will adjust community safety promotional activities under the Community Safety Initiative. The activities that will be adjusted are as follows:
  - The funding of the City Watch Program recognition event will be reduced from monthly to annually. This program recognizes accomplishments of staff interventions in public/community safety activities;
  - Community safety audit activities that raise awareness of community safety audits in City neighbourhoods will be reduced/postponed pending discussion with other City Programs in integrating safety activities across the City; and,
  - Public education and awareness activities will be reduced (e.g. legal education workshops, community dialogue around witness protection and violence against young women).

#### Savings/Efficiencies:

- The inflationary increase for all non-payroll costs (supplies, equipment and services and rents) of \$0.093 million gross and \$0.046 million net will be absorbed by the Program in 2009.
- The Program anticipates that service efficiencies of \$0.200 million gross and net, to be identified upon the completion of the organizational restructuring of SDFa, will be realized in 2009; and,
- Gapping has been increased by \$0.122 million gross and net on a one-time basis (from \$0.524 million or 2.9% to \$0.646 million or 3.6%). These savings will be reversed in 2010 and will result in a budget pressure of \$0.122 million net.

**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
		\$	\$	\$	\$	\$
<b>2008 Council Approved Operating Budget</b>	<b>225.8</b>	<b>27,207.0</b>	<b>11,226.6</b>	<b>15,980.4</b>	<b>0.0</b>	<b>0.0</b>
In-year approvals and technical adjustments	(21.0)	(856.3)	(997.2)	140.9		
Corporate adjustments		(3.4)		(3.4)		
<b>2008 Approved Operating Budget</b>	<b>204.8</b>	<b>26,347.3</b>	<b>10,229.4</b>	<b>16,117.9</b>	<b>0.0</b>	<b>0.0</b>
Prior year impacts	(2.0)	161.3	(72.0)	233.3	250.7	257.1
Zero base items		(1.0)	(0.5)	(0.5)		
Economic factors		248.3	122.1	126.2		
<b>Adjusted Base Budget</b>	<b>202.8</b>	<b>26,755.9</b>	<b>10,279.0</b>	<b>16,476.9</b>	<b>250.7</b>	<b>257.1</b>
Other base changes	(3.0)	(460.4)	(401.5)	(58.9)		
Base revenue changes			132.2	(132.2)		
Recommended Service Level Adjustments:						
Base changes						
Service efficiencies		(415.1)	(46.4)	(368.7)	122.3	
Revenue adjustments						
Minor service impact		(121.5)		(121.5)		
Major service impact						
<b>Total Recommended Base Adjustments</b>	<b>(3.0)</b>	<b>(997.0)</b>	<b>(315.7)</b>	<b>(681.3)</b>	<b>122.3</b>	<b>0.0</b>
<b>2009 Recommended Base Budget</b>	<b>199.8</b>	<b>25,758.9</b>	<b>9,963.3</b>	<b>15,795.6</b>	<b>373.0</b>	<b>257.1</b>
<b>2009 Program Operating Target</b>				<b>15,795.6</b>		
<b>% Over (Under) Program Target</b>				<b>0.0%</b>		
<b>% Over (Under) 2008 Appvd. Budget</b>				<b>-2.0%</b>		

**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

CLUSTER: A							
PROGRAM: Social Development, Finance and Administration							
	2008	2008	2009	Change from		2010	2011
	Approved	Projected	Recommended	2008 Approved			
	Budget	Actuals	Budget	Budget		Outlook	Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	17,221.3	16,961.0	17,283.2	61.9	0.4%	17,767.4	18,138.7
Materials and Supplies	280.4	225.5	239.6	(40.8)	(14.6%)	239.6	239.6
Equipment	212.4	45.0	187.8	(24.6)	(11.6%)	187.8	187.8
Services & Rents	3,867.7	3,030.2	4,785.8	918.1	23.7%	4,785.8	4,785.8
Contributions to Capital	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution to Res/Res Fund	113.8	113.9	113.9	0.1	0.1%	113.9	113.9
Other Expenditures	0.6	0.6	0.6	0.0	0.0%	0.6	0.6
Interdepartmental Charges	4,651.1	4,651.1	4,648.0	(3.1)	(0.1%)	4,648.0	4,648.0
<b>TOTAL GROSS EXPENDITURES</b>	<b>26,347.3</b>	<b>25,027.3</b>	<b>27,258.9</b>	<b>911.6</b>	<b>3.5%</b>	<b>27,743.1</b>	<b>28,114.4</b>
Interdepartmental Recoveries	923.9	713.0	934.7	10.8	1.2%	934.7	934.7
Provincial Subsidies	6,870.3	6,568.5	6,846.6	(23.7)	(0.3%)	6,957.8	7,072.0
Federal Subsidies	1,956.8	1,655.8	3,619.7	1,662.9	85.0%	3,619.7	3,619.7
Other Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Res Funds	62.3	62.3	62.3	0.0	0.0%	62.3	62.3
Contribution from Reserves	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	416.1		0.0	(416.1)	(100.0%)	0.0	0.0
<b>TOTAL REVENUE</b>	<b>10,229.4</b>	<b>8,999.6</b>	<b>11,463.3</b>	<b>1,233.9</b>	<b>12.1%</b>	<b>11,574.5</b>	<b>11,688.7</b>
<b>TOTAL NET EXPENDITURES (EXCLUDING CAPITAL FINANCING)</b>	<b>16,117.9</b>	<b>16,027.7</b>	<b>15,795.6</b>	<b>(322.3)</b>	<b>(2.0%)</b>	<b>16,168.6</b>	<b>16,425.7</b>
<b>APPROVED POSITIONS</b>	<b>204.8</b>	<b>204.8</b>	<b>202.8</b>	<b>(2.0)</b>	<b>(1.0%)</b>	<b>0.0</b>	<b>0.0</b>

## 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
		\$	\$	\$	\$
Ontario Works	XR2101	1,388.2	(62.3)		
Insurance Reserve Fund	XR1010	23,669.8	46.8		
Sick Leave Reserve Fund	XR1007	59,378.4	67.1		
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>51.6</b>	<b>0.0</b>	<b>0.0</b>