

A photograph of the Toronto skyline, including the CN Tower, viewed from a distance across a green park area. In the foreground, a baseball field is visible with a few people on the field. 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

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- 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)

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- 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

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### ➤ 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

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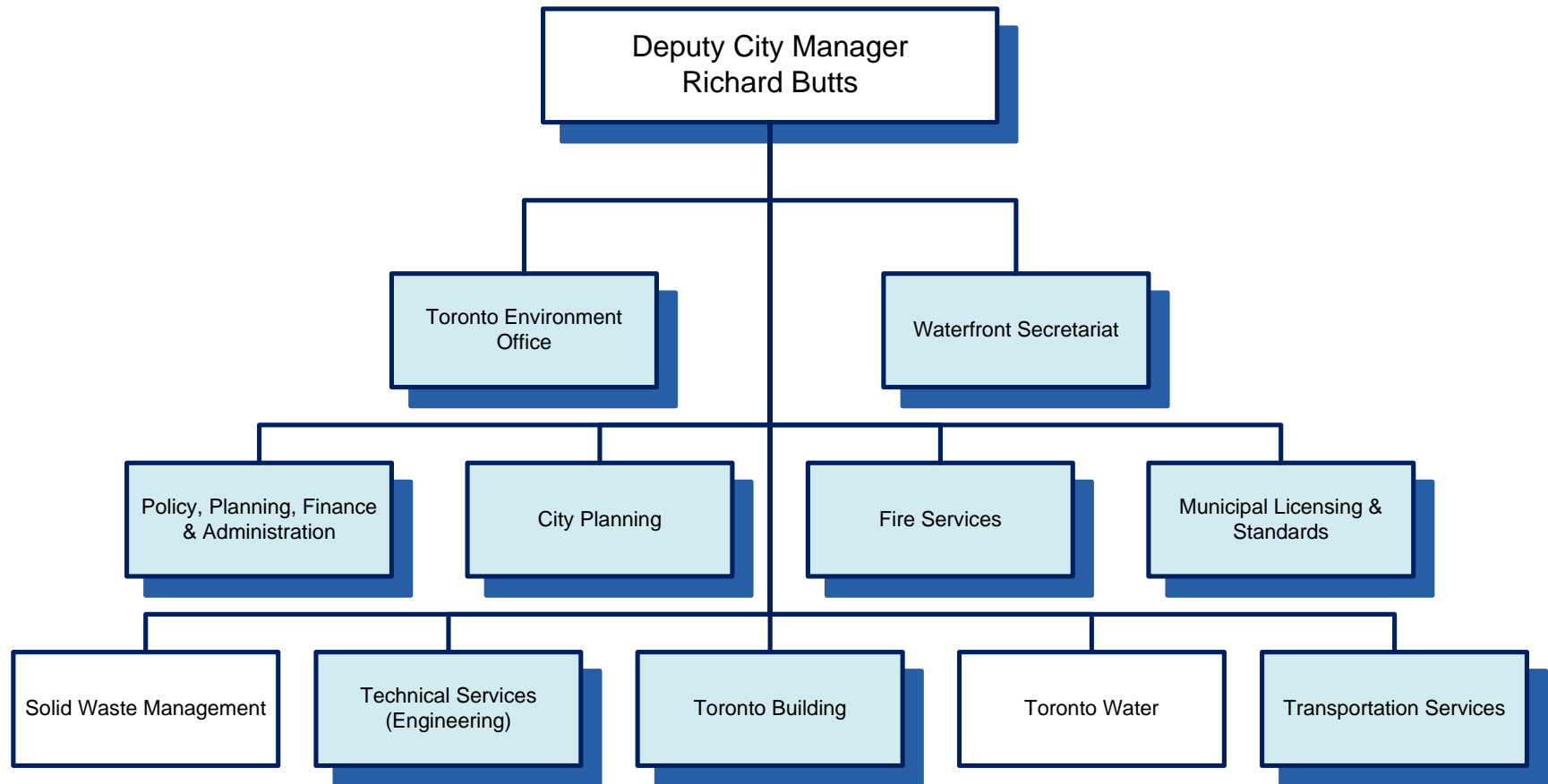
- New Sign By-law and Third Party Sign Tax adopted by City Council
- New Draft Zoning By-law completed for consultation
- Multi-Residential Apartment Building inspection program launched
- “Project Zero” launched to ensure working smoke alarms and carbon monoxide detectors in every residence
- Pedestrian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

# Environmental Scan

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- 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

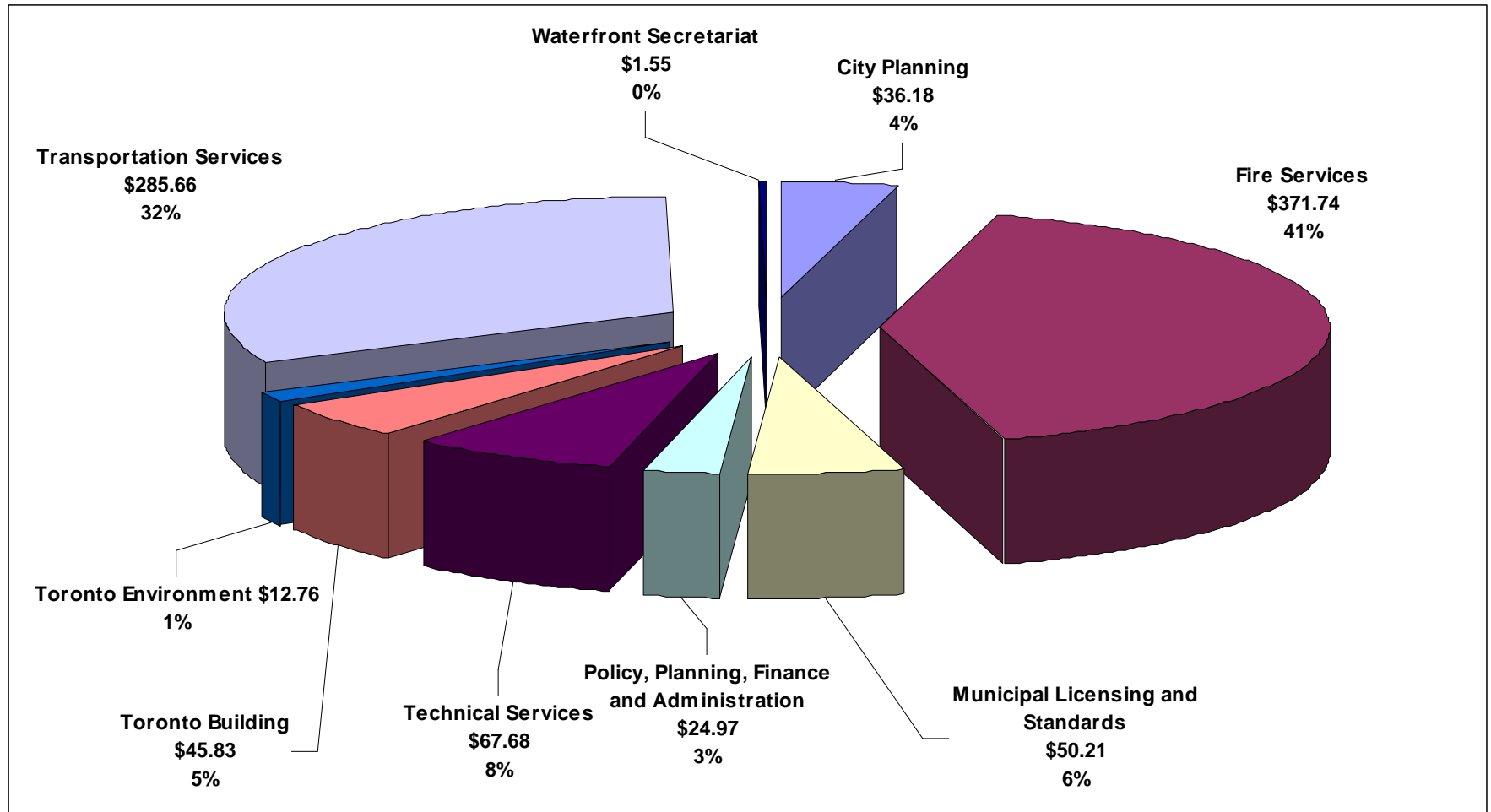
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- City Manager established 5% reduction target
- Divisions carried out a detailed analysis of base budgets
  - Salary budgets developed based on actual salaries
  - Inflationary increases absorbed where possible
  - Non-salary budgets reduced where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

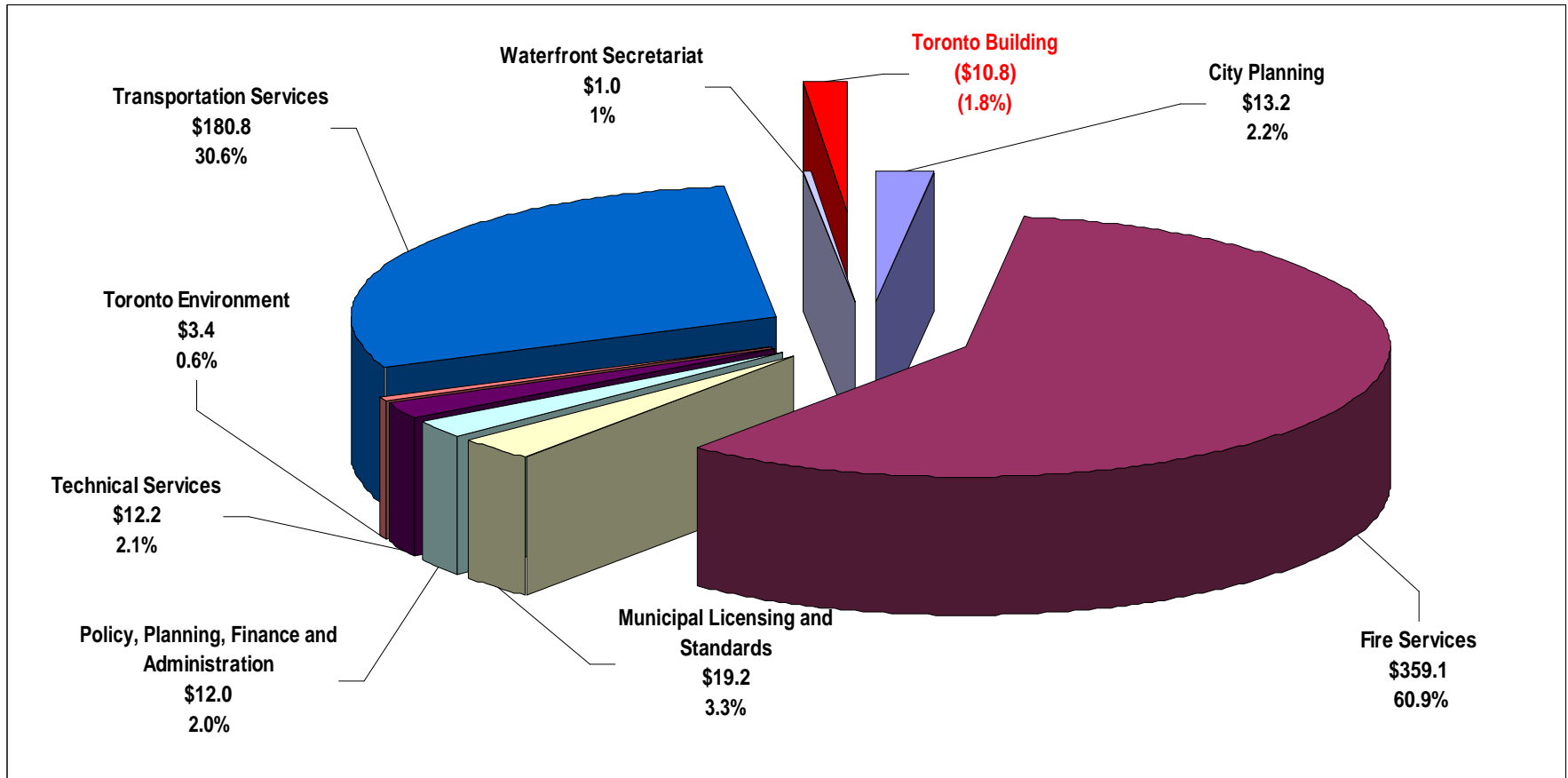
# Staff Recommended 2010 Net Operating Budget

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%)
<b>Total Citizen Centred Services "B"</b>	<b>597,602</b>	<b>590,154</b>	<b>(7,448)</b>	<b>(1.2%)</b>

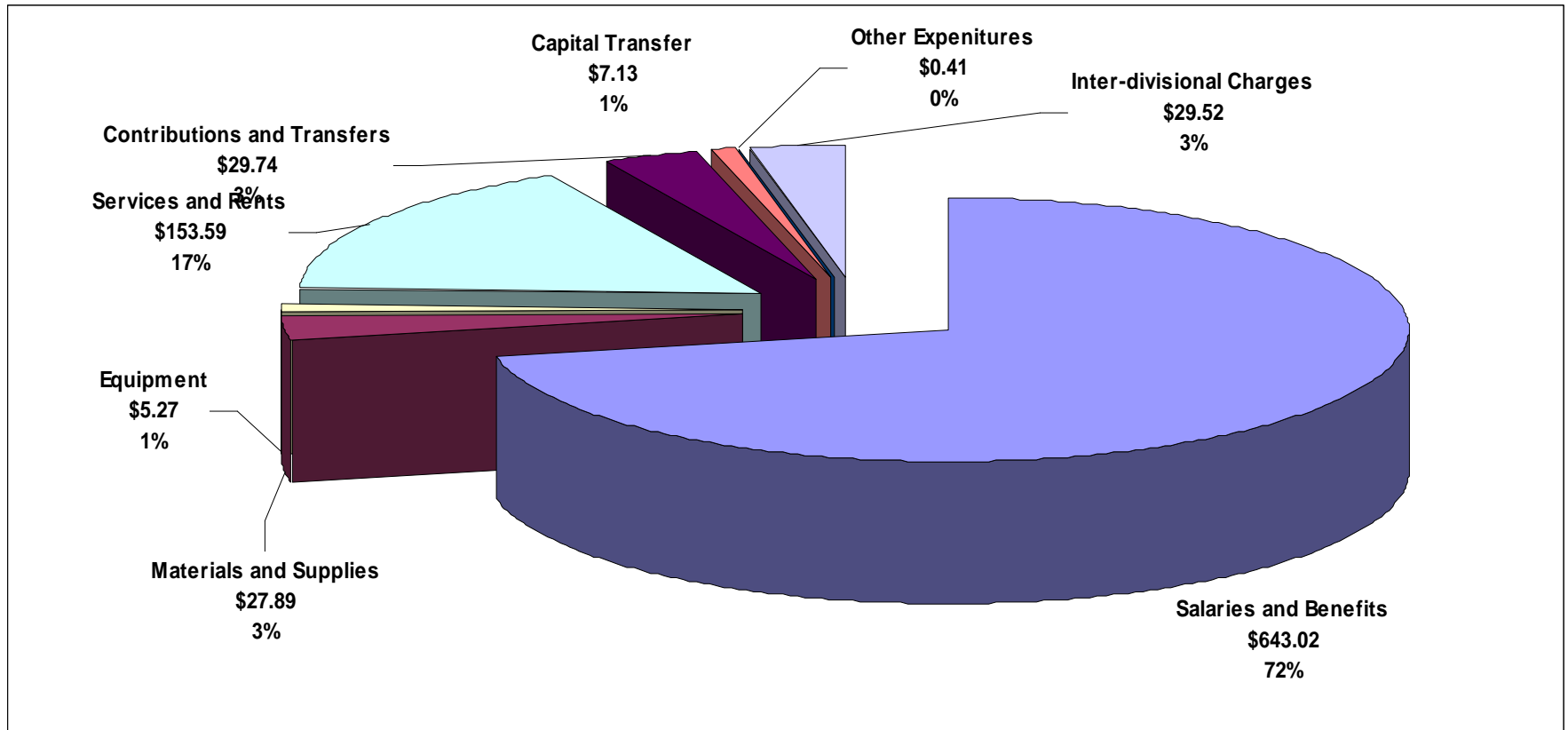
# Cluster B Recommended Gross Operating Budget



# Cluster B Recommended Net Operating Budget



# Gross Operating Budget by Category



# 2010 Selected Program Issues and Challenges

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

# City Planning - Application Fee Revenue

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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

