

# Analyst Briefing Notes

## Budget Committee - February 16, 2010

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**Contacts:** Judy Broughton  
 Manager, Financial Planning  
 Tel: (416) 392-8393

Aneta Poznanski  
 Financial Planning Analyst  
 Tel: (416) 397-4295

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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; Technical Services 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 service objectives focus primarily on providing support to Cluster B programs. These service objectives include:
  - Providing efficient, accurate and timely processing of transactions;
  - Creating and supporting Cluster B systems and processes;
  - Providing timely management reporting;
  - Ensuring oversight and compliance with corporate policies and procedures;
  - Providing value-added analysis and advice;
  - Strengthening Office of Emergency Management activity throughout the Corporation; and
  - Office of Emergency maintaining 100% compliance with Provincial legislation and regulation.
- The following are PPF&A's 2009 Key Accomplishments:
  - Completion of the transfer of 132.5 positions to the Corporate Information and Technology Division as part of the IT Transformation Initiative;
  - Transfer of Dispatch Services to 3 Cluster B Divisions as part of the 311 roll-out;
  - Completion of the staffing of the Major Capital Infrastructure Coordination Unit;
  - Transfer of the Office of Emergency Management Unit from Technical Services to PPF&A; and
  - Coordination of Cluster B's labour disruption response planning.
- For 2009, PPF&A projects year-end net expenditure of \$12.120 million which is below the 2009 Approved Operating Budget of \$12.647 million by \$0.527 million or 4.2%.
  - The projected favourable variance is mainly attributed to salary savings from a delay in filling vacancies that were created in 2009. Savings are also identified in non-salary

expenditures directly related to delays in implementing the restructuring of the Office of Emergency Management.

**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
	\$	\$	\$	\$	\$			\$	\$
<b>GROSS EXP.</b>	25,214.2	23,949.5	24,965.3	0.0	24,965.3	(248.9)	(1.0)	146.4	
<b>REVENUE</b>	12,567.4	11,829.4	12,950.8	0.0	12,950.8	383.4	3.1	0.0	
<b>NET EXP.</b>	12,646.8	12,120.1	12,014.5	0.0	12,014.5	(632.3)	(5.0)	146.4	0.0
<b>Approved Positions</b>	244.1	244.1	239.1	0.0	239.1	(5.0)	(2.0)	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
<b>NET BUDGET</b>	13,337.7	12,014.5	(1,323.2)	13,245.7
<b>PROGRAM REDUCTION (\$)</b>	(739.4)	(1,373.7)	(634.3)	(632.3)
<b>PROGRAM REDUCTION (%)</b>	(5.8)	(10.9)	(5.0)	(5.0)

- The 2010 Recommended Operating Budget for PPF&A is \$12.015 million net and is \$0.632 million or 5% below the 2009 Approved Operating Budget of \$12.647 million net, and achieves Program reduction of \$1.373 million or 10.9% of the 2009 Approved Budget, which is \$0.634 million or 5% greater than the reduction target of \$0.739 million for PPF&A in 2010.
- The 2010 Recommended Operating Budget for PPF&A results in incremental future year net impacts to the Program of \$0.146 million in 2011.
  - In 2011, projected increases of \$0.224 million for COLA will be somewhat offset by \$0.077 in reduced salaries resulting from the annualization of the positions eliminated in 2010.
  - PPF&A has presented viable 2011 reduction options during the 2010 Operating budget process which will achieve the Program's 2011 reduction target of \$0.632 million or 5% of the 2009 Approved Budget. These options will be further reviewed over the course of the year and presented for consideration with the 2011 Operating Budget.
- The 2010 Recommended Base Budget provides funding for the following key cost drivers:
  - Annualized funding for 16 new positions approved in the 2009 Approved Operating Budget result in additional costs of \$0.258 million.
  - Cost of living adjustments (COLA) of 2% for Union staff and 1% for exempt staff result in additional costs of \$0.324 million net.
  - Step increases account for a net pressure of \$0.061 million.
  - Progression pay increases for non-union staff result in additional costs of \$0.098 million.

- The cost drivers noted above are off-set by the following savings of \$0.741 million included in the 2010 Recommended Base Budget:
  - Reduction of staffing costs to reflect actual payroll costs in the amount of \$0.226 million net.
  - Savings of \$0.163 million net in discretionary expenditures.
  - Increase in revenue for inter-divisional recoveries from Solid Waste Management and Toronto Water in the amount of \$0.352 million net.
- The Program's 2010 Recommended Operating Budget includes service changes with savings of \$0.632 million for 2010 and an incremental impact of \$0.077 million in 2011. The service change actions include savings of \$0.590 million from service efficiencies and \$0.042 million in minor service changes.
  - Reduction of discretionary expenditures of \$0.276 million gross and \$0.276 million net.
  - Elimination of two permanent positions in the Strategic Policy Section (\$0.221 million gross and \$0.221 million net) created to provide advice to the Deputy City Manager on strategic issues and establish a "Balanced Scorecard" to help evaluate current efficiencies and help with long-term business planning.
  - Elimination of one permanent Senior Project Leader position (\$0.093 million gross and \$0.093 million net) created to help identify and mitigate financial and business risks and provide financial project coordination.
  - Elimination of two permanent PPF&A positions (\$0.042 million gross and \$0.042 million net). Please refer to the confidential attachment 1.
- Approval of the 2010 Recommended Operating Budget will result in the Program's staff complement decreasing by 5 positions to 239.1 approved positions arising from recommended service changes.
- The 2010 Recommended Operating Budget provides funding of \$12.015 million net for:
  - Resources for the Major Capital Infrastructure Unit to improve coordination of cross-divisional major capital projects. The improved capital coordination between City Programs will help to improve the capital delivery rate of projects.
  - Financial and administrative enhancements for Toronto Water to address internal control weaknesses identified by the Auditor General in order to ensure effectiveness of service delivery.
  - Internal controls and compliance with corporate policies and procedures.
  - Processing of payroll for over 6,850 Cluster B employees.
  - Processing of \$147 million in accounts receivable and \$329 million in accounts payable transactions and 7,339 purchase orders, blanket contracts valued at \$1.600 billion.

- Management reporting on financial, human resource and customer service measures.
- Communication support for Cluster B divisions such as media relations, program advertising, presentation and special event support.
- Financial analysis and advice to support decision making across Cluster B divisions.

**Recommendations**

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Policy, Planning, Finance and Administration (PPF&A) of \$24.966 million gross and \$12.014 million net, comprised of the following services:

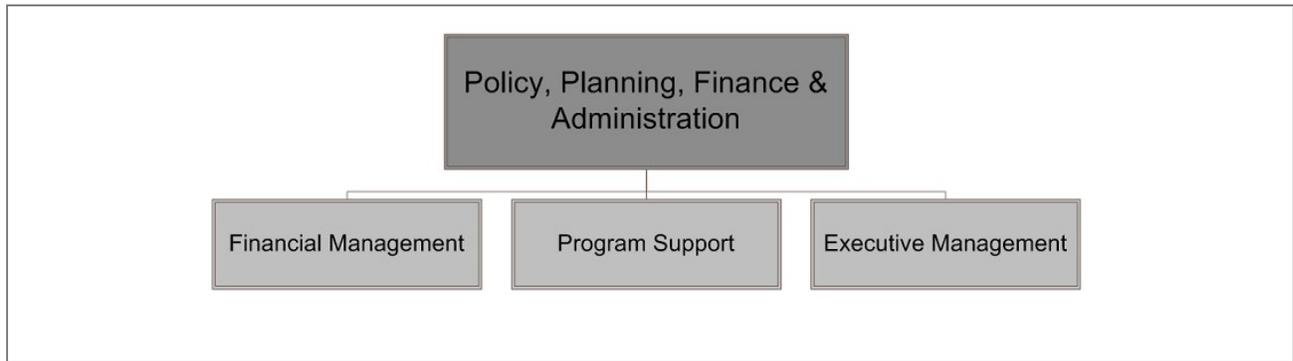
<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Financial Management	8,566.2	4,100.7
Program Support	12,131.8	4,053.5
Executive Management	4,267.3	3,860.3
	<hr/>	<hr/>
Total Program Budget	24,965.3	12,014.5
	<hr/>	<hr/>

2. The information contained in confidential attachment 1 remains confidential until the outcome of Council’s decision has been communicated to the Unions and affected staff.

## Mission Statement

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.

## Program Map



PPF&A provides value-added, customer focus business support to the Programs in Cluster B such as: Transportation Services; City Planning; Toronto Water; Solid Waste Management; Toronto Building; Technical Services and Municipal Licensing and Standards. PPF&A provides support and advice in the areas of policy development and coordination, service planning and performance measures as well in administration, public consultation, financial planning and other financial support.

### *Financial 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.

This service is comprised of the following key activities:

- Revenue Services
  - Accounts Receivable Collections
  - Billing
- Financial Services
  - Accounts Payable
  - Purchasing
  - Financial Coordination

- Financial Planning
  - Budget Development of Capital and Operating Budget
  - Variance Reporting on Capital and Operating Budgets
  - Internal Variance Reporting within Cluster B on Capital and Operating Budgets
  - Forecast of Financial Trends
- Financial Planning – Toronto Water
  - Budget Development of Capital and Operating Budgets
  - Variance Reporting on Capital and Operating Budgets
  - Internal Variance Reporting within Cluster B on Capital and Operating Budgets
  - Forecast of Financial Trends

### ***Program Support***

Program Support services provides complement management and reporting, communications support, general administrative and office support and management reporting on human resource measures for Cluster B.

This service is comprised of the following key activities:

- Complement Management
  - Maintenance and Reporting
- Communications
  - Public Education
  - Public Consultation
- Administration
  - Payroll for over 6,850 Cluster B employees
  - Timekeeping
  - Courier/Mail Delivery for 36 different buildings
  - Reception Support

### ***Executive Management***

Executive Management includes the Office of Emergency Management, the Major Capital Infrastructure Coordination Unit and Cluster Support. This service area supports strategic, business and service planning and provides coordination and collaboration between divisions and clusters.

This service is comprised of the following key activities:

- DCM Office
  - Strategic Leadership for Cluster B
- Major Capital Infrastructure

- Major Capital Infrastructure Coordination for Cluster B
- Executive Director Office
  - Cluster Coordination and Support
- Strategic Planning
  - Management Consulting
- Emergency Management
  - Risk Identification
  - Critical Infrastructure
  - Plan Development
  - Public Education
  - Emergency Operational Centre
  - Pandemic Planning
  - Climate Change Adaptation

### **Service Objectives**

The service objectives for PPF&A primarily reflect the Program's commitment to provide service which meets or exceeds client expectations. The following section outlines the key service objectives for 2010 and beyond:

- Providing efficient, accurate and timely processing of transactions for Cluster B divisions.
- Creating and supporting Cluster B financial systems and administrative processes.
- Enhancing management reporting to Cluster B divisions.
- Increasing oversight and compliance with corporate policies and procedures.
- Providing value-added analysis and advice to Cluster B divisions.
- Improving coordination of cross-divisional capital projects.
- Strengthening Emergency Management activity throughout the Corporation.
- Ensuring the Office of Emergency Management maintains 100% compliance with Provincial legislation and regulation.

## 2009 Accomplishments

PPF&A's major accomplishments for 2009 are noted below:

- Completed the transfer of 132.5 positions to the Corporate Information and Technology Division as part of the IT Transformation Initiative;
- Completed the transfer of Dispatch Services to 3 Cluster B Divisions as part of the 311 roll-out;
- Completed the staffing of the Major Capital Infrastructure Coordination Unit and established the Internal Capital Coordination and Monitoring Committee;
- Transferred the Office of Emergency Management Unit from Technical Services to PPF&A; and
- Coordinated Cluster B's labour disruption response planning.

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

(In \$000s)	2008 Actuals	2009 Approved Budget	2009 Projected Actuals*	2009 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
<b>GROSS EXP.</b>	35,628.9	25,214.2	23,949.5	(1,264.7)	(5.0)
<b>REVENUES</b>	15,373.5	12,567.4	11,829.4	(738.0)	(5.9)
<b>NET EXP.</b>	20,255.4	12,646.8	12,120.1	(526.7)	(4.2)
<b>Approved Positions</b>	352.9	244.1	244.1	0.0	0.0

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

## 2009 Budget Variance Analysis

PPF&A's Third Quarter Variance report projects that the Program will be \$0.527 million or 4.2% below the 2009 Approved Operating Budget of \$12.647 million by year-end.

- The projected favourable variance is mainly attributed to the under-expenditure in salaries and benefits due to the large number of vacancies which currently exist in PPF&A. These vacancies are new positions approved in the 2009 Operating Budget to support Financial & Administrative enhancements in Toronto Water and Solid Waste Management. The majority of the positions are rate supported; resulting in projected decreases in recoveries during 2009. PPF&A is actively recruiting to fill these vacancies. Savings are also identified in non-salary expenditures directly related to the delays in implementing the restructuring of the Office of Emergency Management.

**Impact of 2009 Operating Variance on the 2010 Recommended Budget**

- There is no impact of the 2009 operating variance on the 2010 budget. Vacancy levels experienced in 2009 are not anticipated to continue into 2010.

**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)	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	25,214.2	24,965.3	(248.9)	(1.0)	146.4	
<b>REVENUE</b>	12,567.4	12,950.8	383.4	3.1	0.0	
<b>NET EXP.</b>	12,646.8	12,014.5	(632.3)	(5.0)	146.4	0.0
<b>Approved Positions</b>	244.1	239.1	(5.0)	(2.0)	0.0	0.0

TARGET COMPARISON	2010 Target	2010 Rec. Budget	2010 Rec. Budget vs. 2010 Target	2011 Target
<b>NET BUDGET</b>	13,337.7	12,014.5	(1,323.2)	13,245.7
<b>PROGRAM REDUCTION (\$)</b>	(739.4)	(1,373.7)	(634.3)	(632.3)
<b>PROGRAM REDUCTION (%)</b>	(5.8)	(10.9)	(5.0)	(5.0)

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

(In \$000s)	2010 Required Reductions	2011 Required Reductions
2009 Approved Budget (September 30)	12,646.8	
<b>Pressures Reported with 2010 / 2011 Outlook</b>	<b>1,323.2</b>	<b>540.4</b>
Pressures Not Reported with 2010 / 2011 Outlook	107.1	0.0
<b>5% Reduction Target</b>	<b>(632.3)</b>	<b>(632.3)</b>
Additional Pressures not in 2010 Reported Outlook	(107.1)	
<b>Program Reduction Target</b>	<b>(739.4)</b>	<b>(632.3)</b>
<b>Net Budget Target</b>	<b>13,337.7</b>	<b>13,245.7</b>

***2010 Recommended Base Budget***

The 2010 Recommended Base Budget of \$12.015 million net represents a \$0.632 million or 5% decrease over PPF&A's 2009 Approved Operating Budget of \$12.647 million. The 2010 Recommended Base Budget includes \$0.741 million in base budget increases, which have been offset by decreases of \$0.741 million in expenditure and revenue adjustments and service change savings of \$0.632 million.

The 2010 Recommended Base Budget of \$12.015 million includes recommended Program reductions of \$1.373 million. This recommended reduction of \$1.373 million exceeds the reduction target by \$0.634 million or 5.0%.

- The increase in gross expenditures of \$0.741 million gross and net is recommended for the PPF&A's Base Budget to fund annulizations, COLA and step increases. This increase is offset as a result of staffing and non-staffing cost adjustments and inter-divisional recoveries from Toronto Water and Solid Waste Management. Additional savings of \$0.632 million are realized from service efficiencies and minor service level changes.

Approval of the 2010 Recommended Base Budget will result in the Program's total staff complement decreasing from 244.1 to 239.1 approved positions as a result of recommended services changes.

### **2010 Base Budget Key Cost Drivers**

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

- Annualized funding for 16 new positions approved in the 2009 Approved Operating Budget result in additional costs of \$0.258 million.
- Cost of living adjustment (COLA) of 2% for union staff and 1% for exempt staff result in additional costs of \$0.324 million net.
- Step increases account for a net pressure of \$0.061 million.
- Progression pay increases for non-union staff result in additional costs of \$0.098 million.

The cost drivers noted above are off-set by the following savings included in the 2010 Recommended Base Budget:

- Reduction of staffing costs to reflect actual payroll costs in the amount of \$0.226 million net.
- Savings of \$0.163 million net in discretionary expenditures.
- Increase in revenue for inter-divisional recoveries from Solid Waste Management and Toronto Water for financial and administrative support in the amount of \$0.352 million net.

### **2010 Service Changes**

The Program's 2010 Recommended Base Budget includes additional savings of \$0.632 million with incremental savings of \$0.077 million in 2011, resulting from service review actions. The recommended service changes are comprised of \$0.590 million in 2010 efficiency savings and \$0.042 million in 2010 savings arising from minor service changes. The recommended service changes are summarized below.

#### *Service Efficiencies*

- Reduction of discretionary expenditures (\$0.276 million gross and \$0.276 million net).

- Elimination of two permanent vacant positions in the Strategic Policy Section (\$0.221 million gross and \$0.221 million net) effective January 1, 2010.
- Elimination of one permanent vacant Senior Project Leader position (\$0.093 million gross and \$0.093 million net) effective January 1, 2010.

*Minor Service Changes*

- Reduction of two PPF&A approved positions (\$0.042 million gross and \$0.042 million net).

**2011 and 2012 Outlook: Net Incremental Impact**

Approval of the 2010 Recommended Base Budget for PPF&A will result in 2011 incremental impact of \$0.409 million and no impact in 2012. The 2012 Outlook is currently unknown. Future year costs are primarily attributed to the following:

- The 2011 Outlook of \$0.146 million is comprised of an estimate for COLA of \$0.224 million. It also includes annualized savings from 2010 recommended service changes of \$0.077 million.
- PPF&A has presented viable 2011 reduction options during the 2010 process. These options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.

**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
<b>Base Change Summary</b>	<b>0.0</b>	<b>(357.9)</b>	<b>(741.4)</b>	<b>-5.9%</b>		<b>0.0</b>
<b>Service Efficiencies:</b>						
Reduce Discretionary Expenditures		(276.0)	(276.0)	-2.2%		
Eliminate (2) Permanent Positions in the Strategic Policy Section	(2.0)	(221.2)	(221.2)	-1.7%		
Eliminate (1) Permanent Senior Project Leader Position	(1.0)	(92.8)	(92.8)	-0.7%		
<b>Revenue Changes:</b>						
<b>Minor Service Level Changes:</b>						
Eliminate (2) Permanent PPF&A Positions	(2.0)	(42.3)	(42.3)	-0.3%	(77.3)	
<b>Major Service Level Changes:</b>						
<b>Sub-Total Service Changes</b>	<b>(5.0)</b>	<b>(632.3)</b>	<b>(632.3)</b>	<b>-5.0%</b>	<b>(77.3)</b>	<b>0.0</b>
<b>Total Changes</b>	<b>(5.0)</b>	<b>(990.2)</b>	<b>(1,373.7)</b>	<b>-10.9%</b>	<b>(77.3)</b>	<b>0.0</b>

## 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 \$0.632 million in 2010 with incremental savings of \$0.077 million in 2011. Approval of the recommended service changes will result in a reduction of 5 approved positions reducing the complement to 239.1 in 2010. Included in the \$1.374 million in savings is \$0.741 million in reductions applied to the base budget which include a reduction in staffing and non-staffing costs in the amount of \$0.389 million and an increase in revenue from inter-divisional charges to Toronto Water and Solid Waste Management of \$0.352 million. These savings will have no impact on the level of service provided by the Program in 2010.

### Service Changes

The following 4 recommended service changes included in PPF&A's 2010 Recommended Base Budget, resulting in 2010 savings of \$0.632 net million are discussed below:

#### *Service Efficiencies*

*Reduction of Discretionary Expenditures (\$0.276 million gross and \$0.276 million net).*

A reduction of discretionary expenditures will result in savings in materials and supplies of \$0.080 million, equipment of \$0.065 million and services and rents of \$0.131 million. There is no service level change as a result of these reductions.

*Elimination of Two Permanent Positions (Strategic Policy Section) (\$0.221 million gross and \$0.221 million net)*

Two full-time permanent positions will be deleted resulting in full year savings of \$0.221 million net for 2010 with no incremental impact in 2011. These two positions remained vacant from the time they were created. The positions were created to provide advice to the Deputy City Manager on strategic issues and establish a “Balanced Scorecard” to help evaluate current efficiencies and help with long-term business planning. Elimination of these positions eliminates the opportunity to increase service level in the areas of Policy and Planning for Cluster B as the intended duties will not be performed.

*Elimination of One Permanent Senior Project Leader position (\$0.093 million gross and \$0.093 million net)*

One full-time Senior Project Leader position within PPF&A’s Financial Services area will be deleted. This position remained vacant from the time it was created. This position was created to help identify and mitigate financial and business risks and provide financial project coordination. Elimination of this position results in a lost opportunity in the area of project coordination for Cluster B.

***Minor Service Level Changes***

*Elimination of Two PPF&A Positions (\$0.042 million gross and \$0.042 million net)*

Two full-time permanent positions will be deleted, resulting in savings of \$0.042 million for 2010 and \$0.077 million in 2011. Please refer to the confidential attachment 1.

**2010 Budget Issues*****2010 Recommended Operating Budget vs. Guideline***

PPF&A's 2010 Recommended Operating Budget of \$12.014 million represents a \$0.632 million or 5% decrease over PPF&A's 2009 Approved Operating Budget of \$12.647 million. The total recommended reduction is in the amount of \$1.373 million (10.9%) which is \$0.634 million (5%) above the Program reduction target of \$0.739 million (5.8%). The total Program reduction target of \$0.739 million is comprised of 5% or \$0.632 million of the 2009 Approved Net Operating budget of \$12.647 million and a reduction of additional pressures of \$0.107 million.

## 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
		\$	\$	\$	\$	\$
<b>2009 Council Approved Operating Budget</b>	<b>243.1</b>	<b>25,108.2</b>	<b>12,457.3</b>	<b>12,650.9</b>	<b>0.0</b>	<b>0.0</b>
Technical Adjustments						
In-Year Budget Adjustments	1.0	106.0	110.1	(4.1)		
<b>2009 Approved Operating Budget</b>	<b>244.1</b>	<b>25,214.2</b>	<b>12,567.4</b>	<b>12,646.8</b>	<b>0.0</b>	<b>0.0</b>
Prior Year Impacts:						
Annualizations from Prior Year		258.3		258.3		
Reversals from Prior Year						
Operating Impacts of Capital						
Zero Base Items						
Economic Increases:						
Salary		483.0		483.0	223.7	
Non Salary						
<b>Adjusted Base Budget</b>	<b>244.1</b>	<b>25,955.5</b>	<b>12,567.4</b>	<b>13,388.1</b>	<b>223.7</b>	<b>0.0</b>
Base Expenditure Changes		(357.9)	31.4	(389.3)		
Base Revenue Changes		0.0	352.0	(352.0)		
<b>2010 Base Budget Prior to Service Changes</b>	<b>244.1</b>	<b>25,597.6</b>	<b>12,950.8</b>	<b>12,646.8</b>	<b>223.7</b>	<b>0.0</b>
Recommended Service Changes:						
Service Efficiencies		(276.0)		(276.0)		
Revenue Changes						
Minor Service Level Changes	(3.0)	(314.0)		(314.0)		
Major Service Level Changes	(2.0)	(42.3)		(42.3)	(77.3)	
<b>Total Recommended Base Changes</b>	<b>(5.0)</b>	<b>(632.3)</b>	<b>0.0</b>	<b>(632.3)</b>	<b>(77.3)</b>	<b>0.0</b>
<b>2010 Recommended Base Budget</b>	<b>239.1</b>	<b>24,965.3</b>	<b>12,950.8</b>	<b>12,014.5</b>	<b>146.4</b>	<b>0.0</b>

**Appendix B**

**Summary of Service Changes**

Appendix D

Program Summary by Expenditure Category

CLUSTER: B PROGRAM: PPF&A							
	2009 Approved Budget	2009 Projected Actuals	2010 Recommended Budget	Change from 2009 Approved Budget		2011 Outlook	2012 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	20,046.8	19,414.5	20,236.9	190.1	0.9%	20,623.0	
Materials and Supplies	1,569.4	1,137.1	1,494.6	(74.8)	(4.8%)	1,494.6	
Equipment	385.0	385.0	310.4	(74.6)	(19.4%)	310.4	
Services & Rents	1,681.0	1,481.0	1,561.0	(120.0)	(7.1%)	1,561.0	
Contributions to Capital				0.0	n/a		
Contributions to Reserve/Res Funds	169.1	169.1	197.1	28.0	16.6%	197.1	
Other Expenditures	30.0	30.0		(30.0)	(100.0%)		
Interdivisional Charges	1,332.8	1,332.8	1,165.4	(167.4)	(12.6%)	1,165.4	
<b>TOTAL GROSS EXPENDITURES</b>	<b>25,214.2</b>	<b>23,949.5</b>	<b>24,965.3</b>	<b>(248.7)</b>	<b>(1.0%)</b>	<b>25,351.5</b>	<b>0.0</b>
Interdivisional Recoveries	10,310.1	9,572.1	10,648.6	338.5	3.3%	10,888.2	
Provincial Subsidies							
Federal Subsidies							
Other Subsidies							
User Fees & Donations							
Transfers from Capital Fund							
Contribution from Reserve Funds							
Contribution from Reserve	10.0	10.0		(10.0)	(100.0%)		
Sundry Revenues	2,247.3	2,247.3	2,302.3	55.0	2.4%	2,302.3	
<b>TOTAL REVENUE</b>	<b>12,567.4</b>	<b>11,829.4</b>	<b>12,950.8</b>	<b>383.5</b>	<b>3.1%</b>	<b>13,190.5</b>	<b>0.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>12,646.8</b>	<b>12,120.1</b>	<b>12,014.5</b>	<b>(632.2)</b>	<b>(5.0%)</b>	<b>12,161.0</b>	<b>0.0</b>
<b>APPROVED POSITIONS</b>	<b>244.1</b>	<b>244.1</b>	<b>239.1</b>	<b>(5.0)</b>	<b>(2.0%)</b>	<b>239.1</b>	<b>239.1</b>

## 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
		\$	\$	\$	\$
Fleet Reserve	XQ1301	40.1	80.4		
Insurance Reserve	XR1010	32,534.1	88.7		
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>169.1</b>	<b>0.0</b>	<b>0.0</b>