



City Budget 2012

Toronto Building Operating Budget Analyst Notes

The City of Toronto's budget is presented by program and service, in Analyst Note format. The City's Operating Budget pays the day-to-day operating costs for City services.

2012 Operating Budget

2012 OPERATING BUDGET ANALYST BRIEFING NOTES BUDGET COMMITTEE NOVEMBER 28, 2011

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PART I: RECOMMENDATIONS

2012 Recommended Operating Budget (In \$000s)

	2011		2012 Recommended Operating Budget			Change - 2012 Recommended Operating Budget v. 2011 Appvd. Budget		FY Incremental Outlook	
	2011 Appvd. Budget	2011 Projected Actual	2012 Rec. Base	2012 Rec. New/Enhanced	2012 Rec. Budget			2013	2014
								\$	\$
(In \$000s)	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	46,756.9	46,133.4	46,719.5	-	46,719.5	(37.4)	(0.1)	206.5	(131.4)
REVENUE	57,488.3	56,864.8	57,450.9	-	57,450.9	(37.4)	(0.1)		
NET EXP.	(10,731.4)	(10,731.4)	(10,731.4)	-	(10,731.4)	-	-	206.5	(131.4)
Approved Positions	426.0	396.0	424.0	-	424.0	(2.0)	(0.5)	-	-

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(1,077.8)	(2,566.5)	1,488.7	23.8%

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for Toronto Building of \$46.720 million gross and (\$10.731) million net, comprised of the following service:

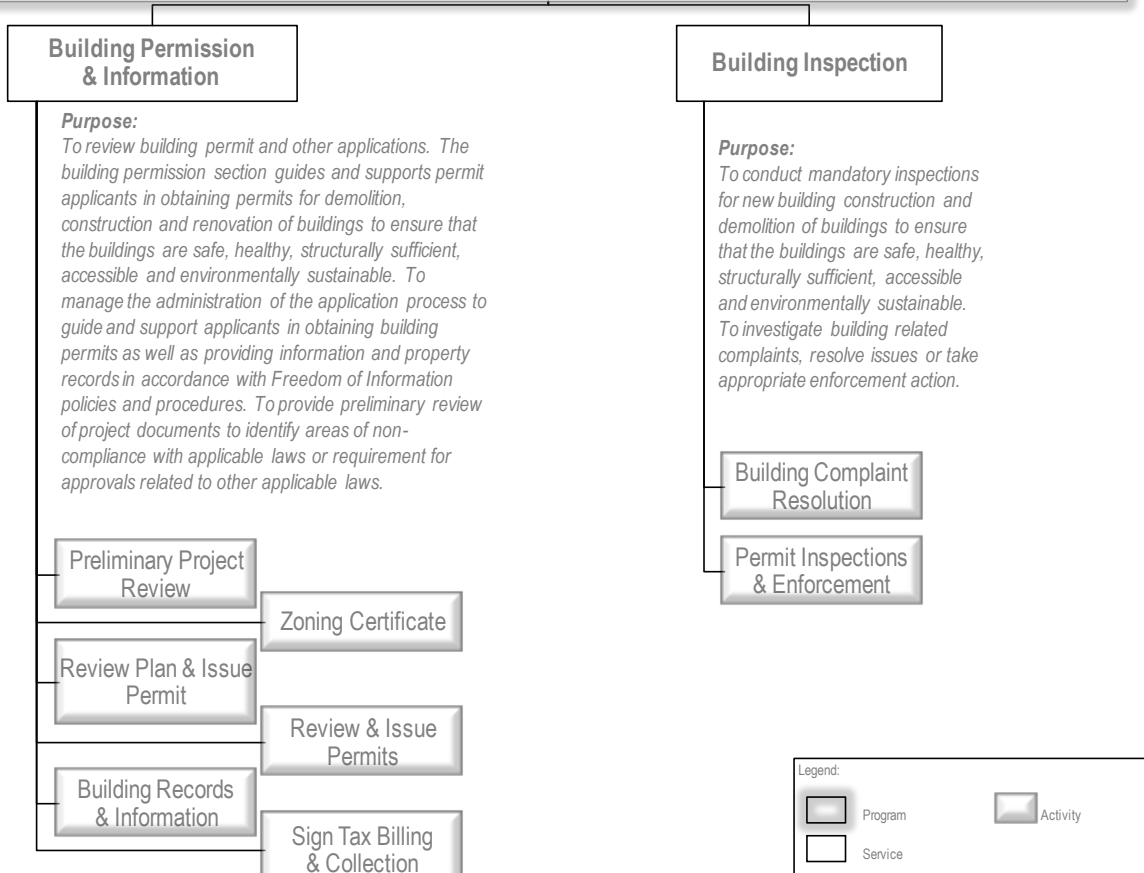
<u>Service(s)</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Toronto Building	46,719.5	(10,731.4)
Total Program Budget	46,719.5	(10,731.4)

PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles

Toronto Building

To enhance the quality of life in the City of Toronto for all residents, businesses and visitors, through superior services delivered with professionalism, honesty and integrity while enhancing and beautifying communities where people live, work and play. As stewards of Toronto's built environment, we will ensure the construction, renovation and demolition of buildings achieves the health, safety, accessibility, conservation and environmental provisions of the Building Code Act and other applicable law. We champion the understanding and application of Building regulations supporting innovation and creation of safe building standards and requirements. We provide excellence in City services through innovative leadership, responding to all members of the public, the development community, other City Programs, Agencies and the Council of the City of Toronto



Service Customer

- | | | |
|-----------------------------------|------------------------------|----------------------------|
| Toronto Building | | |
| • Agent | • Contravener | • Operator |
| • Applicant | • Council / Mayor | • Owner's Agent |
| • Architect | • Councillor | • Police |
| • Architect Firm | • Design Professional | • Property Owner |
| • Builder | • Designer Firm | • Ratepayers |
| • Building Manager/Superintendent | • Developer | • Sign Owner |
| • Building User Or Occupant | • Engineer | • Surveyor |
| • Business | • Fire Protection Consultant | • Tenant |
| • City Divisions | • Lawyer | • Adjacent Property Owners |
| • Complainant | • Licensee | • The General Public |
| • Contractor | • Mortgage | |
| | • Operator | |

2012 Recommended Service Levels

Service Types & Levels

Service	Activity	Type	Sub Type	2011 Current Service Level	2012 Proposed Service Level	
Building Permission & Information	Preliminary Project Review (including planning, licenses, site plan, committee of adjustment, etc.)	Preliminary Project Review	House	10 Days	10 Days	
		Preliminary Project Review	Small Building	15 Days	15 Days	
		Preliminary Project Review	Large Building	20 Days	20 Days	
		Preliminary Project Review	Complex Building	30 Days	30 Days	
		Preliminary Project Review	Business License	20 Days	20 Days	
	Zoning Certificate (formerly Pre-application Applicable Law Review (PAL))	Zoning Certificate Review	House	TBD	TBD	
		Zoning Certificate Review	Small Building	TBD	TBD	
		Zoning Certificate Review	Large Building	TBD	TBD	
		Zoning Certificate Review	Complex Building	TBD	TBD	
	Review Plan & Issue Permit	Construction Permit (includes demolition) - Complete Applications	House	82% (total for all types)	85% (total for all types)	
			Small Building	82% (total for all types - see notes)	85% (total for all types)	
			Large Building	82% (total for all types - see notes)	85% (total for all types)	
			Complex Building	82% (total for all types - see notes)	85% (total for all types)	
			All building types	TBD	TBD	
		Sign Permit	Fastrack First Party Sign Application	First Party Signs outside fastrack	TBD	TBD
			Third Party Sign		TBD	TBD
			Sign Variances & By-law Amendments - drafting reports for approval/refusal of sign variances and By-law amendments		TBD	TBD
			Preliminary Review of applications for compliance with Sign By-law - 5 days		TBD	TBD
			Provide general information on By-laws, approval process, fees, etc. - as requested		TBD	TBD

Service Types & Levels

Service	Activity	Type	Sub Type	2011 Current Service Level	2012 Proposed Service Level
	Building Records & Information	Compliance Letters		5 Days	5 Days
		Zoning Information			
		Freedom of Information (FOI)	Routine Disclosure	99% completed within service level standard	99% completed within service level standard
		Freedom of Information (FOI)	MFIPPA	99% completed within service level standard.	99% completed within service level standard.
		Permitted Use Letter		10 Days	10 Days
		Business License Zoning Review		20 Days	20 Days
		Review Liquor License Application		100% completed within service level standard.	100% completed within service level standard.
		Development Charges Collection		Collected at time of issuance of permit where applicable - 100%	Collected at time of issuance of permit where applicable - 100%
		Educational Development Charges Collection		Collected at time of issuance of permit where applicable - 100%	Collected at time of issuance of permit where applicable - 100%
		Sign Tax Billing & Collection	Billing, collection and administration of the Third Party Sign Tax (TPST)		Invoiced and payable annually.
Building Inspection	Permit Inspections & Enforcement	Construction (Mandatory inspections for building permits, includes demolition)		93% of requests responded to within 48 hours	95% of requests responded to within 48 hours
		Sign (mandatory inspections for Sign Permits)		TBD	TBD
		Proactive Inspections/Enforcement for illegal signs		TBD	TBD
		Respond to Sign Complaints		TBD	TBD
		Marijuana Grow Operations Inspections		TBD	TBD
	Building Complaint Resolution	Emergency/ Unsafe		1 day	1 day
		Work without Permit		2 days	2 days
		Zoning and Other		5 days	5 days

2012 Service Deliverables

The 2012 Recommended Operating Budget of \$46.720 million gross and (\$10.731) million net provides funding to:

- Improve average response times to meet legislated time frames for Building Inspections and Building Permission and Information:
 - Process complete applications in 10 days for houses, 15 days for small buildings, 20 days for large buildings and 30 days for complex buildings 85% of the time;
 - Complete mandatory inspections within 2 days of receiving the request 95% of the time; and
 - Complete emergency inspections within 1 day 100% of the time, and work without permits plus zoning and other inspections will be completed within 2 days and 5 days respectively, 95% of the time.
- Maintain public access to building records by responding to requests for records within 30 days 99% of the time;
- Implement new amendments to the Municipal Code, Construction and Demolition By-law and Green Roof construction standards;
- Implement By-law changes to the Zoning By-law, Site Plan Control By-law, Sign By-law and Third Party Sign Tax, and Green Roof By-law;
- Improve public safety through a lead role in remediating properties impacted by marijuana grow operations;
- Provide a continuous learning environment and support for mandated qualification of technical staff; and
- Influence and respond effectively to new legislation and legislative amendments that affect development in the City.

PART III: RECOMMENDED BASE BUDGET

2012 Recommended Base Budget (In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended Base	Change 2012 Recommended Base v. 2011 Appvd. Budget		FY Incremental Outlook	
					2013	2014
	\$	\$	\$	%	\$	\$
GROSS EXP.	46,756.9	46,719.5	(37.4)	(0.1)	206.5	(131.4)
REVENUE	57,488.3	57,450.9	(37.4)	(0.1)	-	-
NET EXP.	(10,731.4)	(10,731.4)	-	-	206.5	(131.4)
Approved Positions	426.0	424.0	(2.0)	(0.5)	-	-

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 1Rec'd Reduction vs. 2012 10% Reduction Target	Target %
2012 Reductions	(1,077.8)	(2,566.5)	1,488.7	23.8%

2012 Recommended Base Budget

- The reduction target for the Toronto Building was set at \$1.078 million or 10% of the 2011 Approved Net Operating Budget.
- The 2012 Recommended Base Budget for Toronto Building includes \$2.567 million in reductions and achieves a budget reduction of 23.8%. The Program achieved this through various base budget reductions, recommended service efficiencies and minor service level changes.
- The 2012 Recommended Base Budget of (\$10.731) million net is equal to the 2011 Approved Operating Budget.
- Approval of the 2012 Operating Budget will result in the following changes to the 2011 Approved Staff Complement, as noted below:

2012 Recommended Staff Complement – Base Budget Summary

Changes	Staff Complement
2011 Approved Positions	427.0
- 2011 In-year Adjustments	(1.0)
2011 Approved Staff Complement	426.0
2012 Recommended Staff Complement Changes	
- 2012 Temporary Positions - Capital Project Delivery	6.0
- 2012 Operating Impacts of completed Capital Projects	
- 2012 Service Changes	(8.0)
Total Recommended Positions	424.0

- The 2012 Recommended Base Budget includes 6 new temporary capital project delivery positions for the Toronto Building Multi-Channel Electronic Service Delivery/Operating improvements capital project in order to digitize building records.
- These 6 temporary project delivery positions are funded through the IT Capital Budget and will not be required once the project is completed.
- The 2012 Recommended Base Budget also includes the elimination of 8 permanent positions as a result of recommended 2012 service level changes which will reduce the Program's staffing complement to 424 positions.

2012 Recommended Service Change Summary
(In \$000s)

Description	2012 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% of 2012 Budget Reduction Target	2013		2014	
	#	\$	\$	%	\$	# Pos.	\$	# Pos.
Base Changes:								
Base Expenditure Changes								
2011 Efficiencies - Mileage Claims		(100.0)	(100.0)	0.9				
Reduction to Reserve Fund Contribution		(558.5)	(558.5)	5.2				
Base Expenditure Changes		(658.5)	(658.5)	6.1				
Base Revenue Changes								
2012 Fee Increases & TPST Recovery			(1,225.7)	11.4				
Base Revenue Changes			(1,225.7)	11.4				
Sub-Total Base Budget Changes		(658.5)	(1,884.2)	17.5				
Service Efficiencies								
Conversion of Building Engineer Positions		(169.5)	(169.5)	1.6				
Transfer of License Zoning Review Function to ML&S	(1.0)	(95.8)	(95.8)	0.9				
Sub-Total Service Efficiencies	(1.0)	(265.3)	(265.3)	2.5				
Revenue Adjustments:								
Sub-Total Revenue Adjustments								
Minor Service Impact:								
Changes to Zoning Information Service	(5.0)	(417.0)	(417.0)	3.9				
Elimination of Proactive Inspections of Signs	(2.0)	(424.4)	(424.4)					
Sub-Total Minor Service Impacts	(7.0)	(841.4)	(417.0)	3.9				
Major Service Impact:								
Sub-Total Major Service Impacts								
Total Service Changes	(8.0)	(1,106.7)	(682.3)	6.3				
Total Base Budget and Service Changes	(8.0)	(1,765.2)	(2,566.5)	23.8	0.0	0.0	0.0	0.0

2012 Recommended Service Changes

- In addition to base budget savings of \$1.884 million, the 2012 Recommended Operating Budget for Toronto Building includes savings of \$0.682 million as a result of recommended service level changes. These service level changes will not result in any incremental savings in 2013 or 2014.

Base Expenditure Changes

2011 Efficiencies – Mileage Claims

- The 2012 Recommended Base Budget for Toronto Building includes \$0.100 million in savings due to efficiency measures implemented during 2011 which resulted in reduced reimbursement claims for mileage. This base change will not impact the Program's service level or staffing complement.

Reduction to Reserve Fund Contribution

- The 2012 Recommended Base Budget for Toronto Building includes \$0.559 million in savings as a result of a reduced contribution to the Building Code Act Service Improvement Reserve Fund.
- The 2010 Operating Budget for Toronto Building included \$1.847 million contribution to the Building Code Act Service Improvement Reserve Fund, a decline from the 2009 contribution of \$2.607 million due to the economic slowdown. The 2011 contribution remained at the 2010 level.
- As a result of this recommended base change, the Reserve Fund contribution will be reduced to \$1.205 million in 2012.

Base Revenue Changes*2012 Fee Increases & TPST Recovery*

- The 2012 Recommended Base Budget for Toronto Building includes \$1.226 million in additional revenues due to a 2.1% inflationary increase to Building Permit, Sign Permit and Sign Variance fees to maintain the Program's 100% cost recovery model.

Service Efficiencies*Conversion of Building Engineer Positions*

- The 2012 Recommended Base Budget for Toronto Building includes \$0.170 million in savings as a result of converting 5 vacant Building Engineer positions into Building Code Examiner positions as of January 1, 2012.
- The scope of the role of Building Engineers in the plan review process will be adjusted which will not have an effect on service levels provided to the public or permit applicants.

Transfer of License Zoning Review Function to ML&S

- The 2012 Recommended Base Budget for Toronto Building includes savings of \$0.096 million as a result of eliminating one vacant Application Examiner position effective January 1, 2012 and transferring zoning reviews of building license applications that confirm only permitted use to the Municipal Licensing and Standards Division.
- A zoning review determines compliance or non-compliance with respect to land use and includes a review of the performance standards and general provisions for only those requirements and conditions that may be directly affected by permitted use. The Building License review does not include a review of the building itself or any other provisions of the Zoning By-law.

- There were 1,153 reviews conducted in 2010 with 75% completed within 20 day turnaround service standards. The volume and turnaround times are expected to remain the same.
- Municipal Licensing and Standards Division will absorb this function since it currently has access to and enforces the Zoning By-law.

Minor Service Impacts

Changes to Zoning Information Service

- The 2012 Recommended Base Budget for Toronto Building includes savings of \$0.417 million as a result of discontinuing the service of providing zoning information to the public over the phone and through transferring the Permitted Use Letters service to the Preliminary Project Review (PPR) program.
- This minor service change will result in the elimination of 4 vacant permanent Application Examiner positions and 1 vacant permanent Zoning Examiner position effective January 1, 2012.
- The general inquiry lines for each district will continue to be in operation and will refer the applicants to the Preliminary Project Review program where a detailed review is undertaken to confirm the use is permitted and that all applicable required performance standards are satisfied. Some information on performance standards is available on line and it will be enhanced as it becomes available. The applicants will also be able to attend customer service counters at City Hall or the civic centres to review the zoning by-laws with Toronto Building staff.
- Applicants only requesting a confirmation that a use is permitted will be able to obtain this information at the information counters free of charge. Those applicants that require a detailed review under the Zoning By-law and confirmation of compliance will be able to get this through the Preliminary Project Review program for an existing fee of \$125.

Elimination of Proactive Inspections of Signs

- The 2012 Recommended Base Budget for Toronto Building includes the elimination of 2 Sign Building Code Examiner positions with a corresponding reduction for salary and benefits and other expenditures.
- These positions are in the Sign By-law Unit which is responsible for the issuance and inspection of sign permits and carries out proactive by-law enforcement for permanent signs on private property. The Unit is also responsible for the administration and annual collection of the Third Party Sign Tax.

- One of the two Sign Building Code Examiner positions is currently vacant and the second position will become vacant by year-end.
- Expenditures will be reduced by \$0.424 million with a corresponding reduction in recoveries from the Third Party Sign Tax which provides partial funding to the Unit, for a net zero impact.
- When the Sign Unit was first implemented in 2010, 4 positions were allocated to proactive inspections and enforcements. In 2011, Toronto Building staff re-evaluated ongoing operational budget requirements and proactive inspections capacity was reduced by eliminating one Sign Building Code Examiner position. Further, as a result of this 2012 recommended service efficiency, one Sign Building Code Examiner position of the 4 originally allocated to proactive inspections and enforcement will remain in the Unit to support the collection of the TPST and verify the accuracy of the inventory of signs to be taxed.

2013 and 2014 Outlook:

- The 2013 and 2014 Outlooks for Toronto Building maintain the 2012 recommended service levels but do not include provisions for Cost of Living Adjustments (COLA) as these increases are subject to future negotiations.
- The Incremental Outlook for 2013 includes funding of \$0.131 million for an additional working day in 2013 and \$0.075 million for a further 0.9% increase to OMERS rate.
- The Incremental Outlook for 2014 includes a net incremental cost reduction of \$0.131 million to reverse one time funding that will be provided for an additional working day in 2013.

Part V: ISSUES FOR DISCUSSION

Issues Referred to the 2012 Operating Budget Process

Core Service Review Approvals

Proactive Inspection for Illegal Signs and Investigation of Sign Complaints

During the Core Service Review, City Council approved the following recommendation:

- *Refer the following recommendation in the report from the City Manager, back to the City Manager for consideration as part of the 2012 and 2013 budget process:*
 - *"that Toronto Building consider reducing or eliminating proactive inspection for illegal signs, and investigation of sign complaints".*

When the Sign Unit was first implemented in 2010, 4 positions were allocated to pro-active inspections and enforcement. In 2011, Toronto Building re-evaluated ongoing operational budget requirements for the new Sign Unit and proactive inspections capacity was reduced by eliminating 1 Sign Building Code Examiner position.

The 2012 Recommended Operating Budget for Toronto Building reflects a significantly reduced level of proactive inspection for illegal signs and sign complaints investigation. 2 vacant Sign Building Code Examiner positions will be eliminated with a reduction in salary and benefits and other expenditures of \$0.424 million and a corresponding reduction in Third Party Sign Tax recoveries which provide partial funding to the Unit, for a net zero impact.

The remaining position will be retained to support the collection of the TPST and verify the accuracy of the inventory of signs to be taxed.

Provision of Building Permit and Zoning Information

In the Core Service Review, KPMG suggested that Toronto Building could "consider reducing information being explained to the public or charging for the service", as a service level reduction.

In response to this recommendation, City Council approved the following:

- *that City Council approve the following actions and service level adjustments:*
 - *that recommendation 1g (Eliminate building permit, and related zoning information provided to the public over the phone, and in written correspondence, and migrate to the web, and 311 to access this information, and continue to comply with the Toronto Building Routine Disclosure Policy) be referred to the City Manager for consideration and identification of alternative strategies to streamline and*

coordinate the provision of building permit and zoning information by the Building and City Planning Divisions for report through the 2012 Budget Process.

After further review and consideration, Toronto Building has determined that the best opportunity for streamlining and coordinating the provision of zoning information is to discontinue the provision of zoning information to the public over the phone and to transfer the Permitted Use Letters service to the Preliminary Project Review (PPR) program.

Therefore, the 2012 Recommended Operating Budget for Toronto Building includes savings of \$0.417 million as a result of recommended changes to the zoning information service. This minor service level change is described in detail on page 12.

Further Opportunities Identified by KPMG

The KPMG Core Service Review study has also identified opportunities in the following area:

- consider adopting process improvements and accelerate adoption of new technologies.

Toronto Building is currently working on technology enhancements through the Electronic Service Delivery (ESD) project that will lead to improvements in customer service.

In addition, other opportunities in this area will be further reviewed in order to determine whether, when and in what manner implementation is appropriate, with the outcomes to be reported in the future year operating budget submissions for Toronto Building.

Appendix 1

2011 Performance

2011 Key Accomplishments:

In 2011, Toronto Building achieved the following accomplishments:

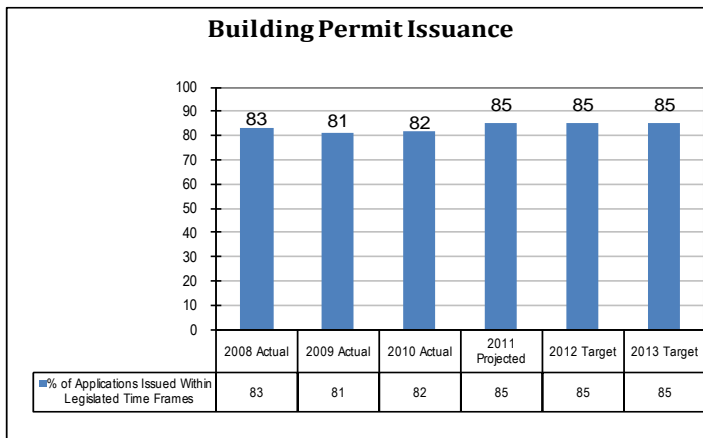
- ✓ Sustained a high volume rate of permit application intake and permit issuance.
- ✓ Maintained the rate of processing applications and requests and the rate of responding to inspection requests within the legislated time frames despite sustained high volume and carry-over projects.
- ✓ Maintained the rate of responding to complaint investigation requests despite sustained high volume and carry-over projects.
- ✓ Achieved 99% response rate for Freedom of Information (FOI) requests for building information and property records.
- ✓ Implemented Sign By-law and Third Party Sign Tax and new Zoning Certificate Program.
- ✓ Completed a technical review to identify possible alternative roof surfaces for Industrial buildings required to have a green roof under TMC Ch492-Green Roofs. Recommended potential amendments to TMC Ch492-Green Roofs.
- ✓ Conducted comprehensive review of amendments to Building Code and Council recommended changes regarding resource conservation and mid-rise wood frame construction.
- ✓ Completed various improvements to the Electronic Customer Service.
- ✓ Marijuana Grow Operations Inspection program achieved 58% remediation rate with 527 reports received over life of the program.

2011 Performance

Building Permit Issuance

- The percentage of building permit applications issued within legislated time frames is a measure that indicates the percentage of complete applications for all types of buildings that are reviewed for compliance with the building code and all applicable laws within the legislated time frames. The following time frames apply: 10 days for

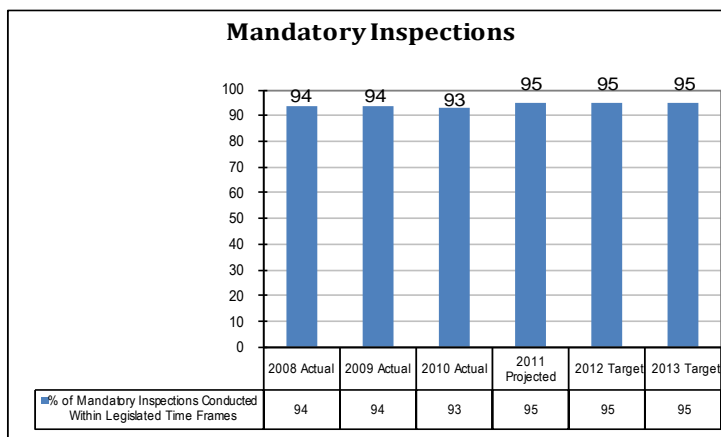
small houses; 15 days for small buildings; 20 days for large buildings and 30 days for complex buildings.



- In 2009, 81% of permits were reviewed within legislated time frames. This percentage increased to 82% in 2010. The Program estimates that about 85% of permits will be reviewed within legislated time frames in 2011, 2012 and 2013.

Mandatory Inspections

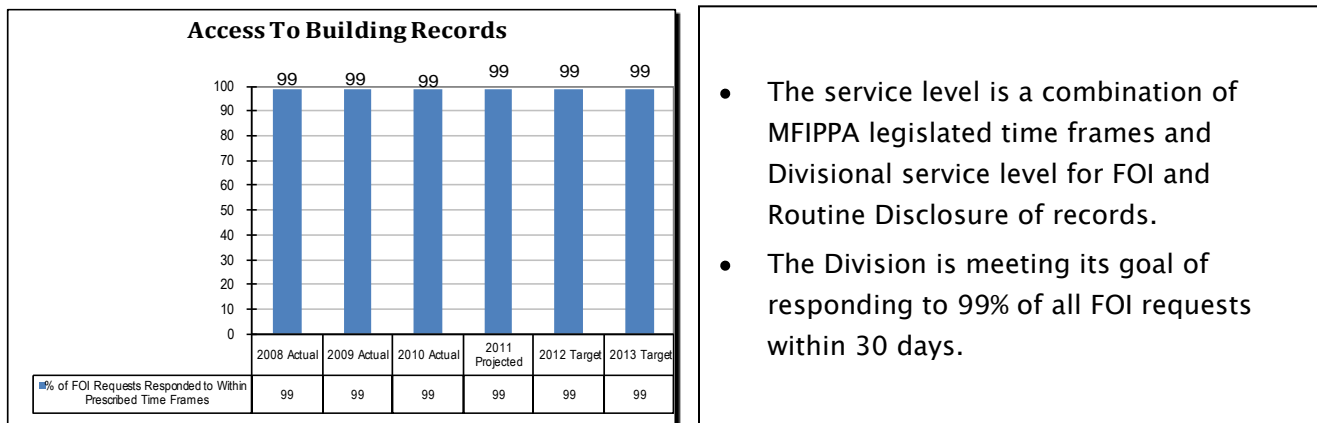
- The percentage of mandatory inspections conducted within legislated time frames is a measure that indicates the percentage of requested mandatory inspections that are completed within 2 days of receiving the request for inspection.
- The building code requires that an inspection be conducted within the time frame specified and if not conducted the construction is permitted to proceed.



- In 2008, 94% of requested mandatory inspections were completed within 2 days of receiving the request for inspection.
- The percentage is expected to increase to 95% in 2011 and remain at that level for 2012 and 2013.

Access to Building Records

- Percentage of FOI requests responded to within prescribed time frames is a measure that indicates the percentage of access to building records (FOI) requests that are responded to within the prescribed time frames.



- The service level is a combination of MFIPPA legislated time frames and Divisional service level for FOI and Routine Disclosure of records.
- The Division is meeting its goal of responding to 99% of all FOI requests within 30 days.

Benchmarking:

Ontario Municipal Benchmarking Initiative (OMBI) measure BLDG233 indicates percentage of construction value of issued Industrial, Commercial, and Institutional (ICI) building permits of total construction value of issued building permits. The 2009 results positioned the City of Toronto with 60.7% in the ICI sector compared to the median of municipal results of 55.7%.

OMBI measure BLDG400 indicates the percentage of complete building permit applications that meet the legislated timeframes. The data collected for 2009 indicates that the City of Toronto at 81% is above the average of municipal results but slightly below the median of participating municipalities of 84.5%.

2011 Budget Variance Analysis

2011 Budget Variance Review (In \$000s)

(In \$000s)	2009 Actuals	2010 Actuals	2011 Approved Budget	2011 Projected Actuals*	2011 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	\$	%
GROSS EXP.	36,402.0	45,852.3	46,756.9	46,133.4	(623.5)	(1.3)
REVENUES	44,122.1	56,630.3	57,488.3	56,864.8	(623.5)	(1.1)
NET EXP.	(7,720.1)	(10,778.0)	(10,731.4)	(10,731.4)	-	-
Approved Positions	417.5	428.5	426.0	396.0	(30.0)	(7.0)

* Based on the Third Quarter Operating Budget Variance Report.

2011 Experience

- Toronto Building's Third Quarter Operating Budget Variance report projects that the Program will realize anticipated net revenues of \$10.731 million and experience zero net variance at year-end.
- The Program will continue to monitor the market to ensure resources are aligned accordingly and will re-evaluate priorities, as required.
- Projected year-end variances for gross expenditures and revenues are due to the following:
 - Efficiencies realized in the Sign Unit resulted in savings of \$0.624 million for salaries and other expenses and therefore led to a lower than projected recovery from the Third Party Sign Tax.
- Toronto Building projects that 30 positions will remain vacant to the end of 2011, primarily due to the hiring slowdown.

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- There is no impact of the 2011 operating variance on the 2012 Recommended Operating Budget.

Appendix 2

2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2009 Actual	2010 Actual	2011 Budget	2011 Projected Actual	2012 Recommended Budget	2012 Change from 2011 Approved Budget		2013 Outlook	2014 Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	33,075.1	39,782.3	40,689.0	37,823.3	41,744.0	1,055.0	2.6%	43,239.9	44,366.6
Materials and Supplies	214.5	229.9	226.9	206.3	271.5	44.6	19.7%	271.5	271.5
Equipment	145.6	978.3	240.2	208.6	186.7	(53.5)	-22.3%	186.7	186.7
Services & Rents	1,339.0	1,345.8	1,317.1	725.6	1,243.4	(73.7)	-5.6%	1,243.4	1,243.4
Contributions to Capital		70.0	280.0			(280.0)	-100.0%		
Contributions to Reserve/Res Funds	1,221.0	3,065.6	3,238.2	6,395.1	2,527.0	(711.2)	-22.0%	2,527.0	2,527.0
Other Expenditures	196.0	83.2	191.0	200.0	266.0	75.0	39.3%	266.0	266.0
Interdivisional Charges	210.8	297.2	574.5	574.5	480.9	(93.6)	-16.3%	480.9	480.9
TOTAL GROSS EXPENDITURES	36,402.0	45,852.3	46,756.9	46,133.4	46,719.5	(37.4)	-0.1%	48,215.4	49,342.1
Interdivisional Recoveries	1.1	1,254.4	1,459.6	1,010.9	918.4	(541.2)	-37.1%	969.3	1,023.2
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	887.7	616.7	1,300.0	1,498.3	1,327.3	27.3	2.1%	1,355.2	1,383.6
Transfers from Capital Fund									
Contribution from Reserve Funds	678.1	470.6							
Contribution from Reserve									
Sundry Revenues	42,555.2	54,288.6	54,728.7	54,355.5	55,205.2	476.5	0.9%	56,415.7	57,591.5
TOTAL REVENUE	44,122.1	56,630.3	57,488.3	56,864.7	57,450.9	(37.4)	-0.1%	58,740.2	59,998.3
TOTAL NET EXPENDITURES	(7,720.1)	(10,778.0)	(10,731.4)	(10,731.3)	(10,731.4)	0.0	0.0%	(10,524.8)	(10,656.2)
APPROVED POSITIONS	417.5	428.5	426.0	396.0	424.0	(2.0)	-0.5%	424.0	424.0

2012 Key Cost Drivers

- Salaries & Benefits:** Increases to salaries and benefits are driven by cost of living allowance, step and progression pay increases as well as establishment of new Sign Unit with 13 new positions approved in 2010. The 2012 Recommended Operating Budget includes funding for 6 new temporary positions for the Toronto Building Multi-Channel Electronic Service Delivery/Operating improvements capital project and salary and benefits funding for the additional working day, step and progression pay increases as well as funding for benefit rate increase. These payroll cost increases were partially offset by the elimination of 8 permanent positions.
- Contributions to Reserve/Reserve Funds:** The 2010 Approved Operating Budget for Toronto Building included \$1.847 million contribution to the Building Code Act Service

Improvement Reserve Fund. The 2011 contribution remained at the 2010 level. The 2012 Recommended Base Budget for Toronto Building includes \$0.559 million in savings as a result of reduced contribution to Building Code Act Service Improvement Reserve Fund.

- *Sundry Revenues:* Sundry revenues include Building and Sign permit fee revenue. The permit volumes significantly declined in 2009 due to the City labour disruption and economic slowdown but recovered in 2010 and remained stable in 2011. In 2012, sundry revenues will increase due to additional revenue generated as a result of a 2.1% inflationary increase to Building Permit and Sign Permit fees.
- *Approved Positions:* 32.5 positions remained vacant in 2010 and it is projected that 30 positions will remain vacant in 2011 due to the hiring slowdown.

The 2012 Recommended Base Budget provides funding for the following:

Prior Year Impacts

- One additional working day in 2012 will require funding of \$0.131 million.

Previously Approved Capital

- 6 new temporary capital project delivery positions for the Toronto Building Multi-Channel Electronic Service Delivery/Operating improvement capital project in order to digitize building records will require additional funding of \$0.481 million. These 6 positions are funded through the IT Capital Budget and will not be required once the project is completed; and
- Ongoing annual maintenance costs for digitization equipment and software will also require additional funding of \$0.110 million.

Economic Factors

- Step increases for eligible union staff and progression pay for eligible non-union staff will require funding of \$0.227 million.

Other Base Changes

- Salary and benefits adjustments to align the 2012 budget to 2011 actual experience will require additional \$0.020 million;
- Increase to Fringe Benefits from 25% to 25.25% will require additional funding of \$0.086 million; and
- The recommended efficiencies and service level changes and anticipated reduction in volume of permit applications in 2012 will result in foregone revenue of \$0.999 million.

Appendix 3

Summary of 2012 Recommended Service Changes

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve/Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Description	Projected Balance as of December 31, 2011	2013	2014
			\$	\$	\$
Building Code Act Services Improvement Reserve Fund	XR1305	Projected Beginning Balance	14,323.7	15,528.4	16,733.1
		Proposed Withdrawals (-) Contributions (+)	1,204.7	1,204.7	1,204.7
Balance at Year-End			15,528.4	16,733.1	17,937.8

* Projected Balance as of December 2011

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2011 *	Proposed Withdrawals (-) / Contributions (+)		
			2012	2013	2014
			\$	\$	\$
Vehicle & Equipment Reserve Insurance Reserve Fund	XQ1301	167.2	72.0	72.0	72.0
	XR1010	31,692.9	1,250.3	1,250.3	1,250.3
Total Reserve / Reserve Fund Draws / Contributions			1,322.3	1,322.3	1,322.3

* Based on 3rd Quarter Variance Report