



City Budget 2012

Municipal Licensing & Standards 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)**

(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
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	49,540.7	47,546.8	47,333.6	-	47,333.6	(2,207.1)	(4.5)	318.9	318.9
REVENUE	28,033.9	26,602.3	28,149.3	-	28,149.3	115.4	0.4	372.8	372.8
NET EXP.	21,506.8	20,944.5	19,184.3	-	19,184.3	(2,322.5)	(10.8)	(53.9)	(53.9)
Approved Positions	487.6	441.0	452.6	-	452.6	(35.0)	(7.2)	-	-

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(2,159.3)	(3,934.4)	1,775.1	18.2%

Recommendations

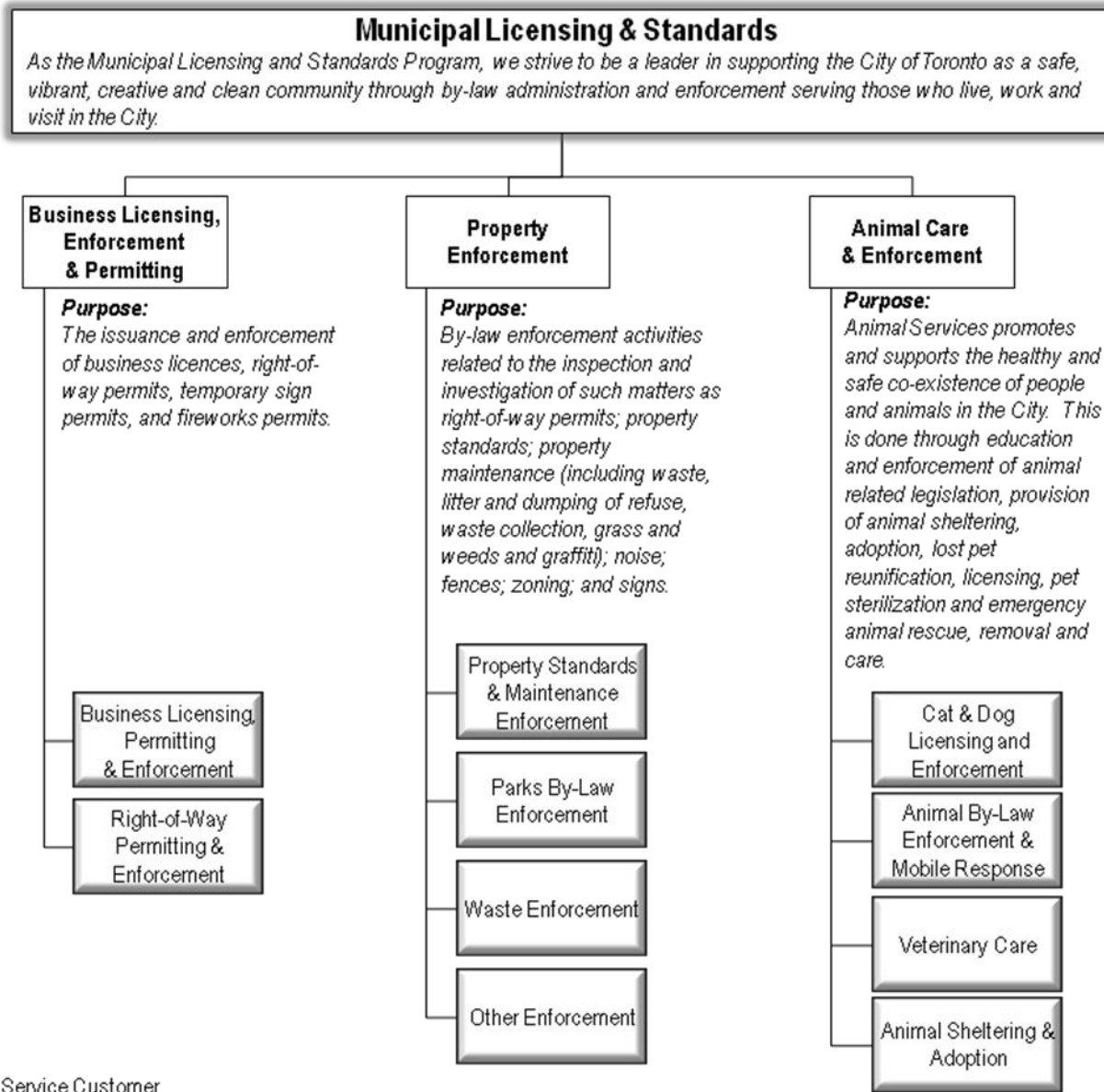
The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for Municipal Licensing and Standards of \$47.334 million gross and \$19.184 million net, comprised of the following services:

<u>Service(s)</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Head Office	1,941.2	1,941.2
Licensing	14,361.5	(8,003.1)
Investigations	20,310.4	17,671.4
Toronto Animal Services	10,720.5	7,574.8
Total Program Budget	47,333.6	19,184.3

PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Service Customer

Business Licensing, Enforcement & Permitting

- Boulevard Occupancy Applicant
- Business Licence Applicant
- By-law Exemption Permit Applicant
- Business User/Consumer/Patron

Property Enforcement

- By-Law violator (alleged)
- Community/By-law complaint people
- Complainant
- Council and Councillors
- Licensed/Permitted /Permissioned "Owner"

Animal Care & Enforcement

- Companion Animal Owners & caretakers
- By-Law/Act violator (alleged)
- Community/Individual By-law complainant
- Council and Councillors
- Animal Care & Welfare groups & individuals
- Domestic, non-indigenous & wild animals
- Park and public property users
- Domestic, non-indigenous & wild animals
- Businesses/Services such as Pet product suppliers and animal health service providers
- Animal Care & Welfare groups and individuals

2012 Recommended Service Levels

The following chart indicates the current and 2012 Proposed Service Levels for ML&S' services and activities.

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level	
Business Licensing, Enforcement & Permitting	Business Licensing & Enforcement	Occupational Licensing	Auctioneers	60% issued in 20 days or less	71% issued in 20 days or less	
		Occupational Licensing	Building renovators	60% issued in 20 days or less	71% issued in 20 days or less	
		Occupational Licensing	Drain contractors	60% issued in 20 days or less	71% issued in 20 days or less	
		Occupational Licensing	Hawkers and pedlars.	60% issued in 20 days or less	71% issued in 20 days or less	
		Occupational Licensing	Plumbing/heating	60% issued in 20 days or less	71% issued in 20 days or less	
		Occupational Licensing	Scrap collectors	60% issued in 20 days or less	71% issued in 20 days or less	
		Occupational Licensing			60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Accident Report Centres		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Adult Entertainment Parlours		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Automobile Body Repairs		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Bake Shops		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Barber and Hairdressing Shops		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Bill Distributors		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Billiard Halls		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Body Rub Parlours And Attendants		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Bowling Alleys		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Butcher Shops		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Car Wash		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Carnivals And Circuses		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Coin-Operated Laundries		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Convenience And Variety Stores		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Drug Stores		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Entertainment Establishments/ Nightclubs		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Restaurants and Food Preparation Businesses		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Grocery, Fruit Or Fish Markets		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Holistic Centres And Practitioners		60% issued in 20 days or less	71% issued in 20 days or less
		Retail Business	Movie Theatres And Public Halls		60% issued in 20 days or less	71% issued in 20 days or less
Retail Business	Parking Lots		60% issued in 20 days or less	71% issued in 20 days or less		

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level	
Business Licensing, Enforcement & Permitting	Business Licensing & Enforcement	Retail Business	Pawnbrokers And Old Gold Dealers	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Pet Shops	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Places Of Amusement	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Public Bath Houses	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Public Garages And Gas Stations (including new and used motorized vehicle dealerships)	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Salvage Yards	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Sign Painters	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business	Second Hand Shops	60% issued in 20 days or less	71% issued in 20 days or less	
		Retail Business		60% issued in 20 days or less	71% issued in 20 days or less	
		Vehicular Business	Taxi Licenses	60% issued in 20 days or less	71% issued in 20 days or less	
		Vehicular Business	Limo Licenses	60% issued in 20 days or less	71% issued in 20 days or less	
		Vehicular Business	Tow Truck Licenses	60% issued in 20 days or less	71% issued in 20 days or less	
		Vehicular Business	Refreshment Vehicles	60% issued in 20 days or less	71% issued in 20 days or less	
		Vehicular Business	Driving Schools	60% issued in 20 days or less	71% issued in 20 days or less	
			Group Homes		60% issued in 20 days or less	71% issued in 20 days or less
			Rooming Houses		60% issued in 20 days or less	71% issued in 20 days or less
			Clothing Drop Box		60% issued in 20 days or less	71% issued in 20 days or less
			Fireworks		60% issued in 20 days or less	71% issued in 20 days or less
			Temporary Sign		60% issued in 20 days or less	71% issued in 20 days or less
			Licensing Enforcement	Response to a Complaint	100% initial response within 48 hours	100% initial response within 48 hours
	Licensing Enforcement	Pro-Active Investigation	review 20% of all licenses annually / 100% of licenses completed in 5 years	review 20% of all licenses annually / 100% of licenses completed in 5 years		
	Right of Way Permitting & Enforcement	Right of Way		90% issued in 20 days or less	90% issued in 20 days or less	

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level	
Property Enforcement	Property Standards & Maintenance Enforcement	Property Maintenance - Grass and Weeds	- Grass and Weeds	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Fences	- Yard	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hour 75% of the time, 5-days non-emergency 62% of the time	
		Fences	- Pool	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Property Maintenance	- Graffiti	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Property Maintenance	- Waste and Waste Collection	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Property Maintenance	- Litter and Dumping of Refuse	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Property Standards	- Buildings	response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Zoning		response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Noise		response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
	Other Enforcement	Heat		response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
		Vital Services		response time; emergency 24 hours 67% of the time, 5-days non-emergency 62% of the time	response time; emergency 24 hours 75% of the time, 5-days non-emergency 62% of the time	
	Parks By-Law Enforcement			100% initial response within 48 hours	100% initial response within 48 hours	
	Waste Enforcement	Abandoned Appliances			100% initial response within 48 hours	100% initial response within 48 hours
		Illegal dumping			100% initial response within 48 hours	100% initial response within 48 hours

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level
Animal Care & Enforcement	Cat & Dog Licensing & Enforcement	Dog Licenses		30.16% and 64,835 Licenses	30.16% and 64,835 Licenses
		Cat Licenses		10.14% and 32,762 Licenses	10.14% and 32,762 Licenses
	Animal By Law Enforcement & Mobile Response	Emergency Animal Rescue & Care		Emergency Response Within 2 Hours	Emergency Response Within 2 Hours
		Animal Removal		picked up within 48 hours / 8,321 Animal Removals	picked up within 48 hours / 8,321 Animal Removals
		Municipal Code & Provincial Statute Investigations & Enforcement	Chapter 349 & DOLA	initial response within 48 hours & 24 hours 85% / 14,250 Total Investigations	initial response within 48 hours & 24 hours 85% / 14,250 Total Investigations
		Animal Education & Awareness Programs & Events		122 Public Education Events	122 Public Education Events
	Veterinary Care Response	Animal Sterilization		100% Animals Sterilized	100% Animals Sterilized
		Animal Health Care & Treatment		100% and 12,466 vaccinated / 3,497 micro-chipped	100% and 12,466 vaccinated / 3,497 micro-chipped
		Animal Prophylactic Care		100% treated	100% treated
	Animal Sheltering and Adoption	Sheltered Animals		Average 18 Shelter Care Days per Animal	Average 18 Shelter Care Days per Animal
		Adopted Animals		Adopted Cats 2,958 or 33% / Adopted Dogs 1,492 or 51%	Adopted Cats 2,958 or 33% / Adopted Dogs 1,492 or 51%
		Animals Returned to Owner		100% and 2,049 Animals Returned to Owner	100% and 2,049 Animals Returned to Owner
		Owner Surrendered Animals		Total Owner Surrendered Animals 4,852 (response time within 48 hours max.)	Total Owner Surrendered Animals 4,852 (response time within 48 hours max.)

2012 Service Deliverables

The 2012 Recommended Operating Budget of \$19.184 million net will provide funding for:

Business Licensing, Enforcement and Permitting

- Reduce wait times for clients at License and Permit Issuing office by introducing eService license renewal and license application opportunities.
- Enhance A-Frame on-line permit application process.
- Issue a new business license in 20 business days or less 90% of the time.
- Process business license renewal in 20 days or less 90% of the time.

- To serve a client in person in 20 minutes or less 85% of the time.

Property Enforcement

- Improve response times and support the City's 311 objectives by enhancement of rapid response capability utilizing real time contact with field staff.
- Expand the mandate of the Waste Enforcement Unit to focus more on private property issues.
- Enhance Program effectiveness by ensuring a greater level of supervision of work in the field and a greater focus on time management.
- Implement case management strategy to merge different databases utilized to track enforcement activities.
- Enhance service delivery by leveraging more effective collaborations with other Divisions and Agencies.
- Provide initial response for Waste Enforcement complaints within 48 hours 90% of the time.

Animal Care & Enforcement

- Develop a Strategic Plan for Toronto Animal Services.
- Develop a cat (stray & feral) over-population strategy.
- Develop and implement more aggressive and innovative marketing to promote cat adoptions.
- Explore partnership and sponsorship opportunities towards improving service to the people and pets in the City of Toronto.
- Ensure that all dogs and cats adopted from TAS that are operable are sterilized by 2012.
- Explore potential for Dog & Cat micro-chip service through collaboration with private veterinary clinics.

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.	49,540.7	47,333.6	(2,207.1)	(4.5)	318.9	318.9
REVENUE	28,033.9	28,149.3	115.4	0.4	372.8	372.8
NET EXP.	21,506.8	19,184.3	(2,322.5)	(10.8)	(53.9)	(53.9)
Approved Positions	487.6	452.6	(35.0)	(7.2)	-	-

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 Rec'd Reduction vs. 2012 10% Reduction Target	Target %
2012 Reductions	(2,159.3)	(3,934.4)	1,775.1	18.2%

2012 Recommended Base Budget

- The 2012 Recommended Base Budget for Municipal Licensing & Standards includes \$3.934 million in savings and achieves a reduction target of 18.2%. The Program achieved this decrease through various base budget reductions such as salary, benefit and other expenditure adjustments in order to align budgeted expenditures with historical spending experience as well as savings from recommended service efficiencies.
- The reduction target for the Municipal Licensing & Standards Division was set at \$2.159 million or 10% of the 2011 Approved Net Operating Budget. In addition to the 10% budget reduction, ML&S has additional 2012 pressures totalling \$1.138 million that required corresponding offsets.
- The 2012 Recommended Base Budget of \$19.184 million is below the 2011 Approved Operating Budget by \$2.323 million or 10.8% due to the recommended base budget changes and service efficiency savings.
- The 2012 Recommended Operating Budget reflects a change from the 2011 approved staffing complement as highlighted below:

2012 Recommended Staff Complement – Base Budget Summary

Changes	Staff Complement
2011 Approved Positions	487.6
- 2011 In-year Adjustments	-
2011 Approved Staff Complement	487.6
2012 Recommended Staff Complement Changes	
- 2012 Temporary Positions - Capital Project Delivery	-
- 2012 Operating Impacts of completed Capital Projects	-
- 2012 Service Changes	(35.0)
Total Recommended Positions	452.6

- The 2012 Recommended Base Budget includes the elimination of 35 permanent positions as a result of recommended 2012 service efficiencies.
- These service efficiencies will reduce the Program's staffing complement from 487.6 positions to 452.6 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								
1) Base Salary & Benefits Adjustment		(239.5)	(239.5)	1.1				
2) Reduction in Non-Payroll Costs		(596.5)	(596.5)	2.8				
3) Delete 6 Vacant Positions & Adjust Divisional Gapping	(6.0)							
Base Expenditure Changes	(6.0)	(836.0)	(836.0)	3.9				
Base Revenue Changes								
1) Business Licenses Fees - Inflationary Adjustment			(372.8)	1.7	(372.8)		(372.8)	
Base Revenue Changes			(372.8)	1.7	(372.8)		(372.8)	
Sub-Total Base Budget Changes	(6.0)	(836.0)	(1,208.8)	5.6	(372.8)		(372.8)	
Service Efficiencies:								
1) Productivity Increase - District Enforcement	(16.0)	(1,435.8)	(1,435.8)	6.6				
2) Productivity Increase - Waste & Parks By-Law Enforcement	(5.0)	(417.1)	(417.1)	1.9				
3) Animal Services Enforcement & Mobile Response	(7.0)	(564.0)	(564.0)	2.6				
4) Facility Space Rationalization		(192.7)	(192.7)	0.9				
5) Investigation Services Efficiency	(1.0)	(116.0)	(116.0)	0.5				
Sub-Total Service Efficiencies	(29.0)	(2,725.6)	(2,725.6)	12.6				
Sub-Total Revenue Adjustments								
Sub-Total Minor Service Impacts								
Sub-Total Major Service Impacts								
Total Service Changes	(29.0)	(2,725.6)	(2,725.6)	12.6				
Total Base Budget and Service Changes	(35.0)	(3,561.6)	(3,934.4)	18.2	(372.8)		(372.8)	

2012 Recommended Service Changes

- In addition to base budget savings of \$1.209 million, the Municipal Licensing & Standards' 2012 Recommended Operating Budget includes service efficiency savings of \$2.726 million. These efficiencies will generate full year savings in 2012, and therefore no incremental savings are projected for 2013 or 2014.

Base Expenditure Changes

Base Salary & Benefits Adjustment

- The 2012 Recommended Base Budget for Municipal Licensing and Standards includes \$0.240 million in savings as a result of a line-by-line review of salary and benefits accounts to align budgets to actual experience.

Reduction in Non-Payroll Costs

- The 2012 Recommended Base Budget for Municipal Licensing and Standards includes \$0.597 million in savings as a result of line-by-line reviews of non-payroll expenditures, aligning budgets to actual experience.

Delete 6 Vacant Positions and Adjust Divisional Gapping

- The 2012 Recommended Base Budget for Municipal Licensing and Standards includes a reduction of 6 vacant positions and a corresponding reduction of \$0.415 million to both Salary & Benefits and the Program's gapping budget, for a net zero impact. This recommended base budget change will not affect the Program's service levels but will reduce the Program's gapping rate from the 2011 approved level of 4.51% to 3.56% in 2012.

Base Revenue Changes*Business License Fees – Inflationary Adjustment*

- Business license fees will be automatically increased on the first day of January by a 2.21% inflation factor which will result in additional revenue of \$0.373 million in 2012 and incremental revenue of \$0.373 million in both 2013 and 2014. The future year inflationary factors will be revised as necessary and confirmed prior to the respective Operating Budget processes.

Service Efficiencies*Productivity Increase – District Enforcement*

- The 2012 Recommended Operating Budget for Municipal Licensing and Standards includes savings of \$1.436 million from the consolidation of District Enforcement from North York location to 45 Strachan during the first quarter of 2012 and reducing 16 Municipal Standards Officer (MSO) positions. As a result of this service efficiency measure, the North York district office will be consolidated with the South District at 45 Strachan on a temporary basis until a permanent location is secured.
- The recommended savings will be realized through the implementation of shifts, and the sharing of workstations and equipment by district bylaw officers which will increase time spent in the field.
- Centralization of officers will improve the ability to provide increased supervision. Supervisors will also be better able to prioritize the workload of the Municipal Standards Officers.

- No impact on service level is anticipated since inspections per Municipal Standards Officer are forecasted to increase on average from 4.35 to 4.92 inspections per day.
- Out of the 16 MSO positions, 5 are currently vacant, 5 will become vacant by the end of 2011, and 6 are filled. The 6 filled positions will be redeployed to vacant positions in Licensing Services.
- The savings associated with this service efficiency only reflect salary related savings as facility related savings are outlined in the Facility Space Rationalization service efficiency.

Productivity Increase – Waste & Parks By-law Enforcement

- The 2012 Recommended Operating Budget for Municipal Licensing and Standards includes savings of \$0.417 million as a result of deleting 4 permanent vacant Municipal Standards Officer positions and one position becoming vacant by the end of 2011 in the Waste & Parks Bylaw Enforcement area.
- The elimination of these positions will not impact the Program's current service level since remaining Municipal Standards Officers will be performing one additional inspection per day due to better prioritization of workload by supervisors.
- As a result of an increased span of control and increased productivity per Municipal Standards Officer, inspections per MSO will increase from approximately 8.56 to 9.82 inspections per day.

Animal Services Enforcement & Mobile Response

- The 2012 Recommended Operating Budget for Municipal Licensing and Standards includes savings of \$0.564 million as a result of deleting 5 Animal Care & Control Officer positions in Licensing Enforcement & Mobile Response and deleting 1 Supervisor position and 1 Support Assistant A position by the end of 2011 due to the introduction of shifts and contracting out cremation operations.
- Out of these 7 positions recommended for elimination, 6 are currently vacant and one position will become vacant by year-end.
 - The elimination of these positions will not impact the Program's current service level as efficiencies will be realized due to introduction of shifts and contracting out cremation operations.
- Contracting out of cremations will increase staff availability by an additional 6 hours per position per week providing additional staff time for enforcement and mobile response.
- Contracting out costs for cremation operations will be absorbed within ML&S's existing operating budget and no additional funding is required.

Facility Space Rationalization

- The 2012 Recommended Operating Budget for Municipal Licensing and Standards includes non-staffing related savings of \$0.193 million as a result of consolidating all Licensing Enforcement staff from its leased space at 105 Esplanade to the Scarborough, Etobicoke and East York Civic Centres and consolidating District Enforcement from its North York location to 45 Strachan as of January 2012.
- The North York District Enforcement office will be moved to 45 Strachan as a touchdown location for field staff until a permanent location can be secured. The Toronto East York office is already at 45 Strachan while Scarborough and Etobicoke officers will remain at their respective civic centres.
- Savings will be realized from the discontinuation of accommodation costs, namely: \$0.041 million for rental of office space, \$0.002 million for parking, \$0.010 million for security, and \$0.140 million for maintenance, flex parking and utility costs charged back by Facilities Management.
- Only moving costs are anticipated and they will be absorbed by the Program.
- No service level impacts are anticipated as a result of this recommended service efficiency.

Investigation Services Efficiency

- The 2012 Recommended Operating Budget for Municipal Licensing and Standards includes salary and benefits cost savings of \$0.116 million due to the elimination of one non-union Supervisor position which will become vacant by year-end in Investigation Services.
- Currently, Municipal Licensing and Standards has 11 Supervisor positions across the four Districts providing oversight to approximately 200 Municipal Standards Officers. Nine of the Supervisor positions are in Investigation Services.
- One Supervisor position has been recommended for elimination as part of the recommended *Animal Services Enforcement & Mobile Response* service efficiency measure and the elimination of this additional Supervisor position in Investigation Services will result in a reduced complement of 9 Supervisor positions in the Program.
- This recommended service efficiency will not impact the Program's service level as efficiencies will be achieved by centralizing supervisory functions.

2013 and 2014 Outlook:

- Approval of the 2012 Recommended Operating Budget for Municipal Licensing and Standards will result in a net operating budget reduction (before COLA adjustments) of \$0.054 million in each of the years 2013 and 2014.

- The 2013 and 2014 net incremental Outlooks for ML&S anticipate increased costs of \$0.319 million which include \$0.115 million for progression pay and \$0.204 million for union step increases. These costs will be fully offset by \$0.373 million in additional revenue due to the annual inflationary increases for business licenses.
- The Outlooks do not include cost of living adjustments (COLA) as the current collective agreement ends on December 31, 2011.

Part V: ISSUES FOR DISCUSSION

2012 and Future Year Issues

2012 Issues

Core Service Review Impacts

The 2012 Recommended Operating Budget for Municipal Licensing and Standards does not include any savings as a result of Council's decisions arising from the Core Service Review.

However, as directed by City Council during the Core Service Review, the Executive Director of Municipal Licensing and Standards will review, assess and report back on the following matters:

- viability of the Dog & Cat Licensing Program and recommended options;
- benefits of licensing categories and any recommended changes; and
- the elimination of animal pick-up and delivery of owner-surrendered animals to shelters with emergency pick-up only for persons unable to do so.

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

- outsourcing of some or all of animal care and enforcement delivery;
- delivery of services City-wide instead of on a district based model; and
- outsourcing of waste diversion enforcement.

Opportunities for service improvements in these areas will be further reviewed during 2012 in order to determine whether, when and in what manner implementation is appropriate, with the outcomes reported in the future year operating budgets for ML&S.

Dog & Cats Licensing Revenue Adjustment

Unrealized revenues for Dog & Cats Licenses have been a reoccurring issue for the last few years and totalled \$0.907 million in 2008, \$1.121 million in 2009, \$1.121 million in 2010 and are projected to be \$0.600 million in 2011. The projected number of dog and cats licenses to be issued in 2011 is 85,094 as opposed to 108,108 licenses that were budgeted for in the 2011 Operating Budget.

	2008			2009			2010			2011		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Dog & Cats Licenses	2,488,000	3,394,600	(906,600)	2,273,138	3,394,600	(1,121,462)	2,273,151	3,394,600	(1,121,449)	1,994,602	2,594,602	(600,000)
No. of Licenses	85,449	141,148	(55,699)	96,606	141,148	(44,542)	92,755	141,148	(48,393)	85,094	108,108	(23,014)

The 2011 Operating Budget included a downward adjustment of \$0.800 million to the Program's revenues to reflect the actual volume of dog and cats licenses issued each year and align budgeted revenues with actual activity.

The 2012 Recommended Operating Budget includes a further reduction of \$0.322 million to the Animal Licensing revenues to better align budgeted revenues with actual experience.

It is recommended that the Executive Director of Municipal Licensing and Standards review and report back to the Licensing and Standards Committee prior to the 2013 Operating Budget cycle on the future viability of the Dog & Cats Licensing Program and recommended options.

Appendix 1

2011 Performance

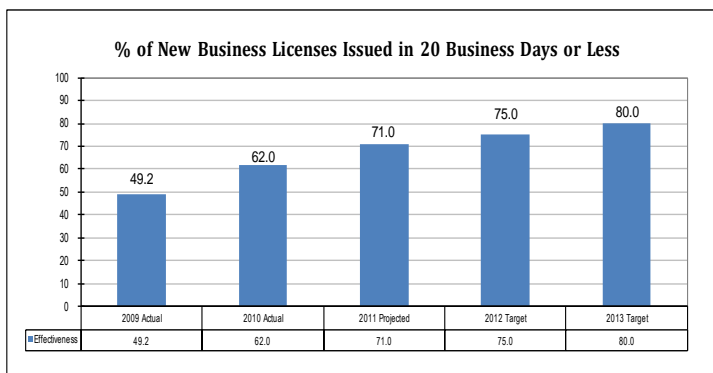
2011 Key Accomplishments:

In 2011, Municipal Licensing and Standards' accomplishments included the following:

- ✓ Launched the e-business model for business license renewals.
- ✓ Enhanced the online business license look-up site to allow the public to check if a business is properly licensed.
- ✓ Amended A-Frame Sign By-Law to reduce permit fees and provide access to all businesses.
- ✓ Implementation of remote computing and increased management oversight in district officers has resulted in significant customer service improvements.
- ✓ Continued strategy for collaborative enforcement action with other Divisions and external agencies.
- ✓ Sterilized 102 feral cats by June 3, 2011 which has prevented the birth of approximately 13,500 kittens between now and 2015.
- ✓ Continued successful collaboration and partnership model with various cat interest groups across the city.

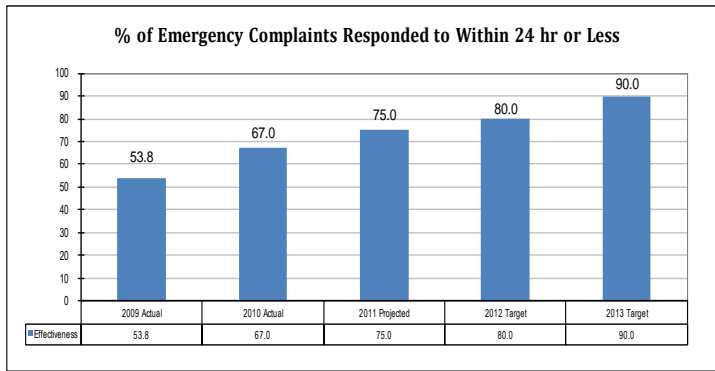
2011 Performance

Business Licensing, Enforcement & Permitting



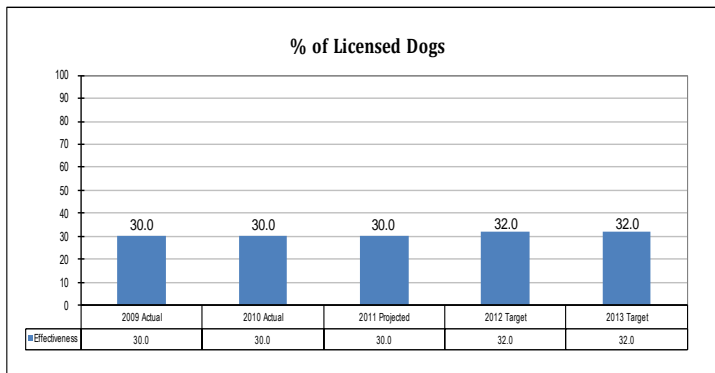
- The percentage of new business licenses issued in 20 business days or less was only 49.2% in 2009 due to the City's labour disruption.
- This percentage increased to 62% in 2010.
- The percentage is expected to be 71% in 2011 and then increase to 75% and 80% in 2012 and 2013, respectively.

Property Enforcement

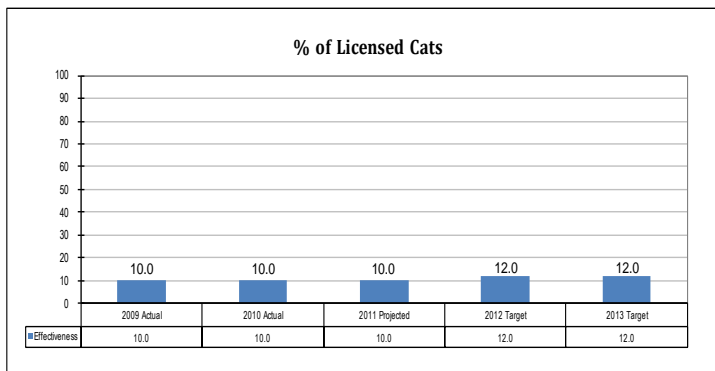


- The percentage of emergency complaints that received an initial response within 24 hours or less was only 53.8% in 2009 due to the City's labour disruption.
- This percentage increased to 67% in 2010.
- The percentage is expected to be 75% in 2011 and then increase to 80% in 2012 with a further increase to 90% in 2013.

Animal Care & Enforcement



- The percentage of licensed dogs has been increasing over years reaching 30% in 2009 and 2010.
- The percentage is expected to remain the same for 2011 and then slightly increase to 32% in 2012 and 2013.



- The percentage of licensed cats has been low but steadily increasing over years reaching 10% in 2009 and 2010.
- It is expected that the percentage of licensed cats will remain at 10% for 2011 and then reach 12% in 2012 and 2013.

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.	45,411.2	50,528.5	49,540.7	47,546.8	(1,993.9)	(4.0)
REVENUES	24,398.6	31,298.7	28,033.9	26,602.3	(1,431.6)	(5.1)
NET EXP.	21,012.6	19,229.8	21,506.8	20,944.5	(562.3)	(2.6)
Approved Positions	477.6	463.3	487.6	441.0	(46.6)	(9.6)

* Based on the Third Quarter Operating Budget Variance Report.

2011 Experience

- The Municipal Licensing & Standards' Third Quarter Variance report projects that the Program will be \$0.562 million or 2.6% under the 2011 Approved Operating Budget of \$21.507 million by year-end.
- ML&S's projected favourable variance reflects anticipated under-recovery of revenues for Dog & Cat Licensing program and re-inspection fees offset by savings from increased gapping due to the hiring slow down and non-payroll expenditures.

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- The 2012 Recommended Operating Budget includes \$0.836 million in savings as a result of a line-by-line review of salary and benefits accounts and non-payroll expenditures to align 2012 budgeted revenues with actual 2011 experience, as well as permanent deletion of 6 vacant positions.
- The 2012 Recommended Operating Budget also includes adjustments to reduce the forecasted volume of dog and cat licenses to bring the revenue budget closer to the actual experience.

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	34,467.0	38,894.3	40,239.7	38,645.8	38,590.4	(1,649.3)	-4.1%	38,909.3	39,228.2
Materials and Supplies	982.7	1,066.8	1,529.0	1,229.0	1,220.0	(309.0)	-20.2%	1,220.0	1,220.0
Equipment	189.5	193.0	251.1	151.1	214.7	(36.4)	-14.5%	214.7	214.7
Services & Rents	1,650.4	1,737.0	2,002.0	1,802.0	1,775.6	(226.4)	-11.3%	1,775.6	1,775.6
Contributions to Capital	240.6								
Contributions to Reserve/Res Funds	471.3	716.2	725.7	725.7	725.7	(0.0)	0.0%	725.7	725.7
Other Expenditures	220.2	389.7	208.0	208.0	208.0			208.0	208.0
Interdivisional Charges	7,189.5	4,883.2	4,585.2	4,785.2	4,599.2	14.0	0.3%	4,599.2	4,599.2
TOTAL GROSS EXPENDITURES	45,411.1	47,880.2	49,540.7	47,546.8	47,333.6	(2,207.1)	-4.5%	47,652.5	47,971.4
Interdivisional Recoveries	243.5	1,184.5	1,628.0	1,185.3	1,595.1	(32.9)	-2.0%	1,595.1	1,595.1
Provincial Subsidies									
Federal Subsidies									
Other Subsidies									
User Fees & Donations	2,020.7	2,913.4	3,074.1	2,223.9	3,171.1	97.0	3.2%	3,171.1	3,171.1
Transfers from Capital Fund									
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	22,134.4	22,809.1	23,331.7	23,193.1	23,383.1	51.4	0.2%	23,755.9	24,128.7
TOTAL REVENUE	24,398.5	26,907.0	28,033.9	26,602.3	28,149.3	115.4	0.4%	28,522.1	28,894.9
TOTAL NET EXPENDITURES	21,012.6	20,973.3	21,506.8	20,944.5	19,184.3	(2,322.5)	-10.8%	19,130.4	19,076.5
APPROVED POSITIONS	477.6	463.3	487.6	441.0	452.6	(35.0)	-7.2%	452.6	452.6

2012 Key Cost Drivers

- Salaries & Benefits:** Increases to Salary and Benefits are driven by cost of living allowance and step and progression pay increases. The 2012 Recommended Operating Budget includes the elimination of 35 permanent positions which will reduce 2012 Salary and Benefits expenditures by \$1.649 million.
- Materials & Supplies and Equipment:** Increases to Materials & Supplies and Equipment are primarily driven by the requirements for the new Spay/Neuter Clinic in Scarborough District mostly funded by donations. The 2012 Materials & Supplies and Equipment expenditures are below the 2011 approved expenditures by \$0.309 million and \$0.036 million.

million, respectively, as a result of a line-by-line review of non-payroll expenditures and aligning the 2012 budget to the 2011 actual experience.

- *Services & Rents:* The 2012 Services & Rents expenditures are below the 2011 approved expenditures by \$0.226 million reflecting savings of \$0.043 million from the proposed consolidation of all Licensing Enforcement staff from 105 Esplanade to Scarborough and Etobicoke Civic Centres and consolidation of District Enforcement from North York location to 45 Strachan, as well as \$0.183 million as a result for line-by-line review.
- *Interdivisional Recoveries:* Interdivisional recoveries in 2010 increased significantly with the establishment of greater recoveries from Solid Waste Management Service for by-law enforcement related to the 70% Waste Diversion Program.
- *User Fees and Donations:* The 2012 User Fees and Donations are above the 2011 approved amounts by \$0.097 million due to the increase in donations to the Toronto Animal Services Donation Program.

The 2012 Recommended Operating Budget for ML&S provides funding for the following:

Prior year impacts

- The re-classification of 12 Parks Bylaw Officers transferred from Parks, Forestry and Recreation in 2010 to Municipal Standards Officer positions will require \$0.111 million in additional salary costs.

Other base changes

- An additional working day in 2012 will require additional funding of \$0.159 million;
- Ongoing sustainment costs for the newly completed Case Management System, the Chameleon Work Management System and the E-pet Online Application System will require additional funding of \$0.189 million;
- Reduced recovery from Toronto Public Health for the Rabies Education and Control Program due to a reduction in Animal Services overtime cost will result in additional funding of \$0.039 million;
- Progression pay for non-union positions and step increases for union positions will require additional funding of \$0.319 million; and
- Line-by-line review of salary and benefits accounts and non-staff expenditures to align budgets to actuals resulted in savings of \$0.836 million.

Revenue Changes

- A further reduction in Dog & Cat Licensing revenue of \$0.322 million aligns 2012 budgeted revenues with actual 2011 activity to reflect the accurate volumes of dog and cat licenses issued; and
- Automatic inflationary increase of 2.21% for Business license fees will result in additional revenue of \$0.373 million.

Appendix 3
Summary of 2012 Recommended Service Changes

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

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
		\$	\$	\$	\$
Corporate Insurance Reserve Fund	XR1010	31,692.9	253.7	253.7	253.7
Fleet Vehicle Reserve	XQ1202	272.3	472.0	472.0	472.0
Total Reserve / Reserve Fund Draws / Contributions			725.7	725.7	725.7

* Based on 3rd Quarter Variance Report