



City Budget  
2012

PPFA and TEO  
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
	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>									
Policy, Planning, Finance & Administration	23,906.9	20,518.2	22,104.0	0.0	22,104.0	(1,802.9)	(7.5)	194.5	163.1
Toronto Environment Office	11,529.0	11,369.0	5,284.5	0.0	5,284.5	(6,244.5)	(54.2)	(2,292.6)	29.3
	35,435.9	31,887.2	27,388.5	0.0	27,388.5	(8,047.4)	(22.7)	(2,098.1)	192.4
<b>REVENUE</b>									
Policy, Planning, Finance & Administration	12,599.8	10,575.6	12,251.8	0.0	12,251.8	(348.0)	(2.8)	50.9	(14.1)
Toronto Environment Office	8,314.8	8,314.8	2,623.8	0.0	2,623.8	(5,691.0)	(68.4)	(2,318.7)	0.0
	20,914.6	18,890.4	14,875.6	0.0	14,875.6	(6,039.0)	(28.9)	(2,267.8)	(14.1)
<b>NET EXP.</b>									
Policy, Planning, Finance & Administration	11,307.1	9,942.6	9,852.2	0.0	9,852.2	(1,454.9)	(12.9)	143.6	177.2
Toronto Environment Office	3,214.2	3,054.2	2,660.7	0.0	2,660.7	(553.5)	(17.2)	26.1	29.3
	14,521.3	12,996.8	12,512.9	0.0	12,512.9	(2,008.4)	(13.8)	169.7	206.5
<b>Approved Positions</b>									
Policy, Planning, Finance & Administration	229.1	199.1	208.1	0.0	208.1	(21.0)	(9.2)		
Toronto Environment Office	26.6	23.6	20.6	0.0	20.6	(6.0)	(22.6)		
	255.7	222.7	228.7	0.0	228.7	(27.0)	(10.6)		

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 10% Reduction vs. 2012 Rec'd Reduction	Target %
2012 Reductions	(1,440.9)	(2,366.4)	925.5	16.4%

## Recommendations

The City Manager and Chief Financial Officer recommend that:

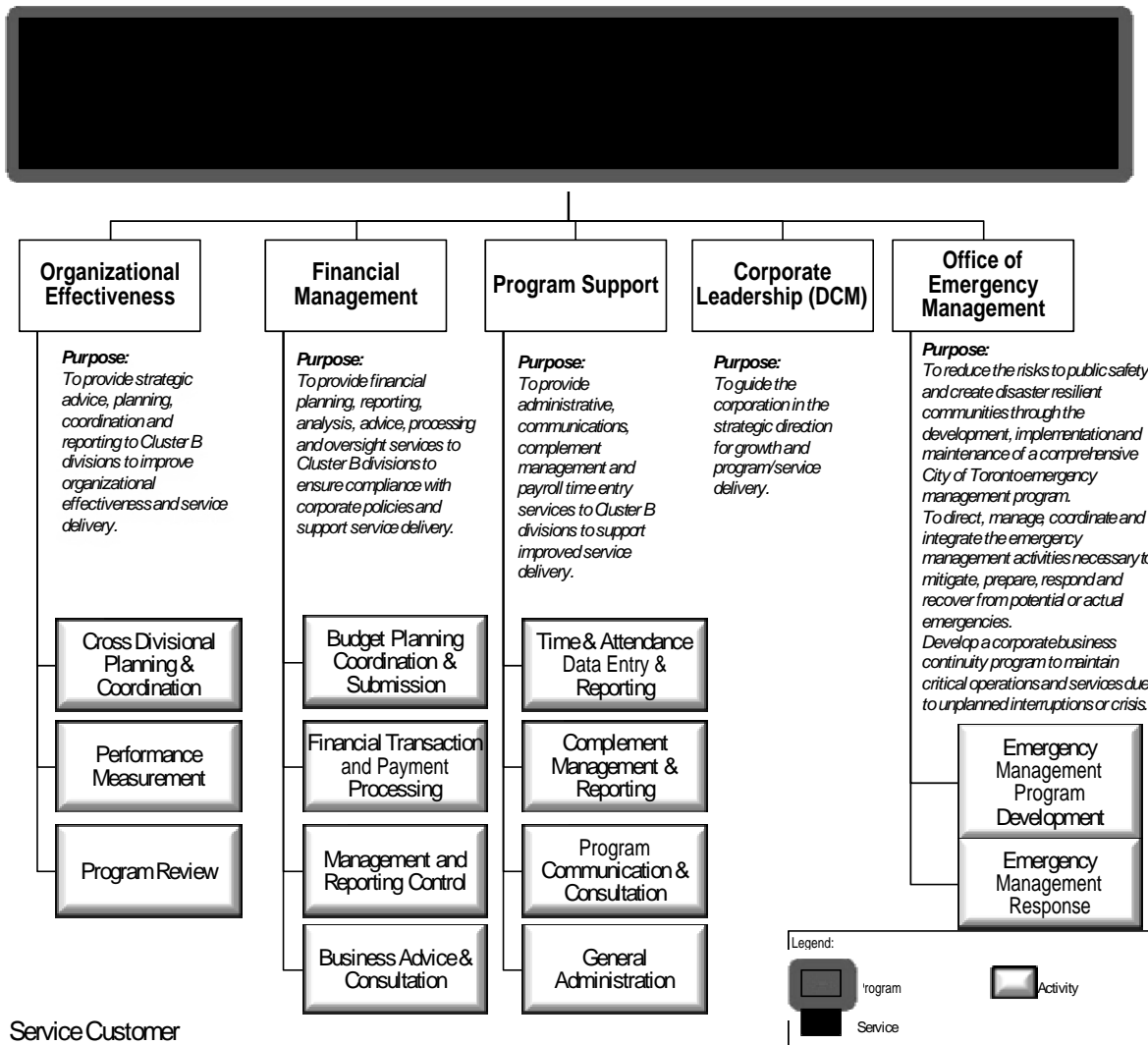
1. City Council approve the 2012 Recommended Operating Budget for Policy, Planning, Finance and Administration (PPFA) and Toronto Environment Office (TEO) of \$27.389 million gross and \$12.513 million net, comprised of the following services:

<u>Service(s)</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Policy, Planning, Finance and Administration	22,104.0	9,852.2
Toronto Environment Office	<u>5,284.5</u>	<u>2,660.7</u>
Total Program Budget	<u>27,388.5</u>	<u>12,512.9</u>

2. The information contained in Confidential Attachment 1 remain confidential until the outcome of Council's decision has been communicated to Unions and affected staff.

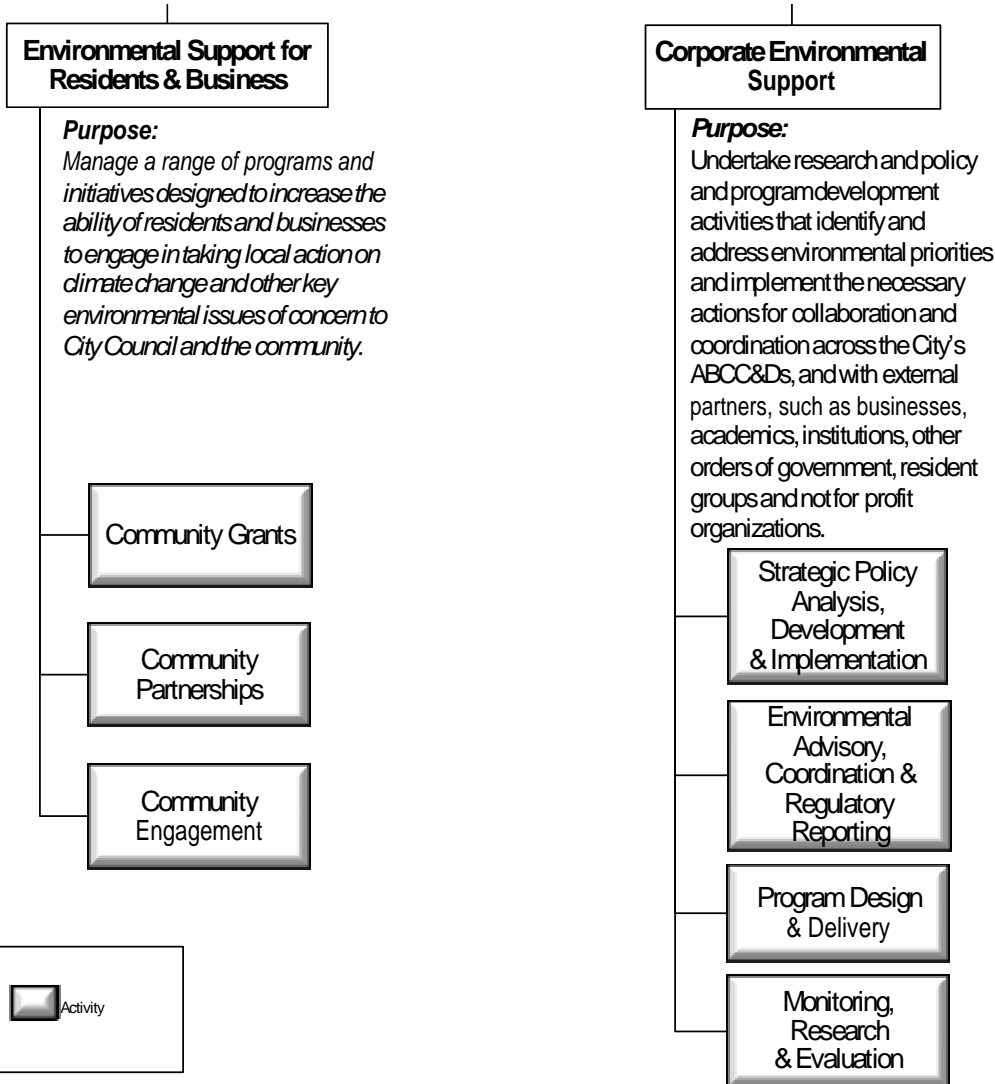
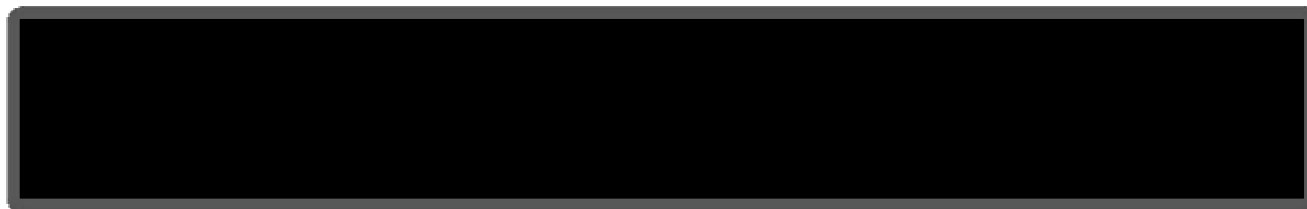
## PART II: 2012 SERVICE OVERVIEW AND PLAN

### Program Map and Service Profiles - PPFA



Service Customer

Organizational Effectiveness	Financial Management	Program Support	Corporate Leadership	Office of Emergency Management
<ul style="list-style-type: none"> <li>DCM's Office</li> <li>Toronto Water</li> <li>Solid Waste Management</li> <li>Transportation Services</li> <li>Toronto Building</li> <li>Technical Services</li> <li>City Planning</li> <li>Fire Services</li> <li>Municipal Licensing &amp; Standards</li> <li>Waterfront Secretariat</li> <li>Toronto Environment Office</li> <li>Office of Emergency Management</li> <li>City Manager</li> <li>Other City Divisions - e.g. Accounting Services, Financial Planning</li> <li>Customers of Cluster B divisions</li> </ul>	<ul style="list-style-type: none"> <li>DCM Cluster B</li> <li>Toronto Water</li> <li>Solid Waste Management Services</li> <li>Fire Services (Oversight Relationship)</li> <li>Transportation Services</li> <li>Technical Services</li> <li>City Planning</li> <li>Toronto Building</li> <li>Municipal Licensing &amp; Standards</li> <li>Waterfront Secretariat</li> <li>Office of Emergency Management</li> <li>Major Capital Infrastructure Coordination Office</li> <li>Toronto Environment Office</li> <li>Corporate Divisions</li> <li>Residents and businesses in the City of Toronto</li> <li>Suppliers of Cluster B divisions</li> </ul>	<ul style="list-style-type: none"> <li>DCM Cluster B</li> <li>Toronto Water</li> <li>Solid Waste Management Services</li> <li>Fire Services (Oversight Relationship)</li> <li>Transportation Services</li> <li>Technical Services</li> <li>City Planning</li> <li>Toronto Building</li> <li>Municipal Licensing &amp; Standards</li> <li>Waterfront Secretariat</li> <li>Office of Emergency Management</li> <li>Major Capital Infrastructure Coordination Office</li> <li>Toronto Environment Office</li> <li>Corporate Divisions</li> <li>Residents and businesses in the City of Toronto</li> </ul>	<ul style="list-style-type: none"> <li>Toronto Water</li> <li>Solid Waste Management</li> <li>Transportation Services</li> <li>Toronto Building</li> <li>Technical Services</li> <li>City Planning</li> <li>Fire Services</li> <li>Municipal Licensing &amp; Standards</li> <li>Policy, Planning, Finance &amp; Administration</li> <li>Waterfront Secretariat</li> <li>Toronto Environment Office</li> <li>Office of Emergency Management</li> <li>City Manager</li> <li>Residents and businesses in the City of Toronto</li> </ul>	<ul style="list-style-type: none"> <li>Toronto Police Services</li> <li>Toronto Fire Services</li> <li>EMS</li> <li>Toronto Public Health</li> <li>Shelter, Support &amp; Housing Administration</li> <li>Transportation Services</li> <li>Toronto Water</li> <li>Parks, Forestry &amp; Recreation</li> <li>I&amp;T</li> <li>TTC</li> <li>Human Resources</li> <li>Strategic Communications</li> </ul>



**Service Customer**

**Environment Support for Residents & Business**

- City Council
- Agencies
- Residents
- Businesses
- Visitors
- Institutions
- Non Governmental Organizations
- Community Based Organizations

**Strategic Environmental Policy & Research**

- City Council
- Senior Management ( City Manager and Deputy City Managers)
- Corporation
- City divisions
- Agencies

## 2012 Recommended Service Levels - PPFA

The 2012 Proposed Service Levels for the PPFA are detailed below:

### Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Levels	2012 Proposed Service Levels	
Organizational Effectiveness	Cross Divisional Planning & Coordination	Administrative support and coordination		The assignment is completed within agreed upon timeline 100% of the time	The assignment is completed within agreed upon timeline 100% of the time	
		Strategy and policy development		The policy or plan is completed within agreed upon timeline 100% of the time	The policy or plan is completed within agreed upon timeline 100% of the time	
		Implementation support		The change is implemented within the agreed upon timeframe 100% of the time	The change is implemented within the agreed upon timeframe 100% of the time	
	Performance Measurement	Monitoring and tracking	Monitoring and tracking		The indicator is updated/maintained according to the predetermined schedule 100% of the time	The indicator is updated/maintained according to the predetermined schedule 100% of the time
			Performance Measurement Reports	Monthly	Report issued within the agreed upon schedule 100% of the time	Report issued within the agreed upon schedule 100% of the time
				Quarterly	Report issued within the agreed upon schedule 100% of the time	Report issued within the agreed upon schedule 100% of the time
				Annually	Report issued within the agreed upon schedule 100% of the time	Report issued within the agreed upon schedule 100% of the time
				Ad hoc	Report issued within the agreed upon schedule 100% of the time	Report issued within the agreed upon schedule 100% of the time
	Program Review	Service Improvement	Service Improvement		Report issued within the agreed upon schedule 100% of the time	Report issued within the agreed upon schedule 100% of the time
			Organizational Design		Report issued within the agreed upon schedule 100% of the time	Report issued within the agreed upon schedule 100% of the time
		Business Process Review	New business process documentation developed		The new business process documentation is developed within the agreed upon timeframe 100% of the time	The new business process documentation is developed within the agreed upon timeframe 100% of the time
			Existing business process documentation maintained and updated		Business process documentation is maintained 100% of the time	Business process documentation is maintained 100% of the time
			Process improvement recommendations		Business process improvement recommendations are developed within the agreed upon timeframe 100% of the time	Business process improvement recommendations are developed within the agreed upon timeframe 100% of the time





Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Levels	2012 Proposed Service Levels	
Financial Management	Budget Planning, Coordination & Submission	Budget coordinated, prepared, and submitted		95% of Cluster B budgets supported and coordinated to meet corporate prescribed deadlines	95% of Cluster B budgets supported and coordinated to meet corporate prescribed deadlines	
		Research, data generation, analysis and presentation		Provided acknowledgement of request within 2 days 95% of the time	Provided acknowledgement of request within 2 days 95% of the time	
		Assistance with service planning		100% of Cluster B Service Plans Supported to submit within corporate prescribed deadlines	100% of Cluster B Service Plans Supported to submit within corporate prescribed deadlines	
	Financial Transaction & Payment Processing	Purchasing and procurement (Two Way Match)			Processed purchasing documents in SAP within two business days 90% of the time; less than 8.0 % of the Blanket Contracts were over-spent; 50% of the Informal Call for Quotation DPOs (\$7,500 to \$50,000) were issued within 60 calendar days	Processed purchasing documents in SAP within two business days 90% of the time; less than 8.0 % of the Blanket Contracts were over-spent; 50% of the Informal Call for Quotation DPOs (\$7,500 to \$50,000) were issued within 60 calendar days
			Purchasing and procurement (Toronto Water- Three way Match )		Processed purchasing documents in SAP within five business days 90% of the time; 8.0 % of the Blanket Contracts were over-spent; 90% of the Informal Call for Quotation DPOs (\$3,000 to \$7,500) within 5 business days	Processed purchasing documents in SAP within five business days 90% of the time; 8.0 % of the Blanket Contracts were over-spent; 90% of the Informal Call for Quotation <b>DPOs (\$7,501 to \$50,000) within 30 business days excluding locations serviced by TW.</b>
		Accounts payable (Both two and three way match divisions)		85 % of invoices confirmed for payment within 60 days ( 2010)	85 % of invoices confirmed for payment within 60 days ( 2010)	
		Accounts receivable		90% of accounts receivable are created and mailed within 48 hours of receipt or notification.	90% of accounts receivable are created and mailed within 48 hours of receipt or notification.	
		Collect and process customer payments		Accounts receivable collected within agreed upon payment terms 67.3% (2010/2011). Customer payments deposited in bank by next business day 100% of the time; accounts updated within 5 business days upon receipt of supporting documents 90% of the time.	Accounts receivable collected within agreed upon payment terms 67.3% (2010/2011). Customer payments deposited in bank by next business day 100% of the time; accounts updated within 5 business days upon receipt of supporting documents 90% of the time.	
		Collect and process customer deposits and prepare refunds for payment		90% of customer deposits processed within 48 hours of receipt. 90% of refunds submitted for payment within 20 business days of receipt.	90% of customer deposits processed within 48 hours of receipt. 90% of refunds submitted for payment within 20 business days of receipt.	

Service Types & Levels

Service	Activity	Type	Sub-Type	2011 Current Service Levels	2012 Proposed Service Levels	
Financial Management (Cont'd)	Management Reporting & Control	Corporate Quarterly Variance reporting		Corporate deadlines met 90% of the time.	Corporate deadlines met 90% of the time.	
		Monthly Management Reports and recommendations to mitigate unfavourable budget variances		Monthly reports issued within 15 days after month end 80% of the time.	Monthly reports issued within 15 days after month end 80% of the time.	
		Briefing Notes and ad hoc financial reports for Cluster B divisions and Senior Management Team		Provide acknowledgement of request within 2 days 100% of the time	Provide acknowledgement of request within 2 days 100% of the time	
		Account review, analysis and reconciliation		Ensure reconciliation of accounts within 60 days of month end 100% of the time	Ensure reconciliation of accounts within 60 days of month end 100% of the time	
		Internal control review		To review internal controls once on a 5 year cycle or as required by operational changes	To review internal controls once on a 5 year cycle or as required by operational changes	
	Business Advice & Consultation	Financial and strategic business advice imparted; interpretation and implementation of corporate policies and audit recommendations; cluster policy development and review			Provide acknowledgement of request within 2 days 100% of the time	Provide acknowledgement of request within 2 days 100% of the time
		Financial and strategic business advice			As required	As required
		Recommendations to mitigate unfavourable budget variances			As required	As required
		Interpretation and implementation of corporate policies and audit recommendations			As required	As required
		Compliance with corporate policies and procedures			As required	As required
		Cluster policy development and review			As required	As required



## Service Types &amp; Levels

Service	Activity	Type	Sub-Type	2011 Current Service Levels	2012 Proposed Service Levels
Program Support	Time & Attendance - Data Entry & Reporting	Payroll Advice & Reporting		Quarterly Attendance Management Reports 95% of the time. Other Reports within 5 days 95% of the time	Quarterly Attendance Management Reports 95% of the time. Other Reports within 5 days 95% of the time
		Time & Attendance - Data Entry & Reporting		Bi-weekly/weekly	Bi-weekly/weekly
	Complement Management & Reporting	Complement Management		Monthly	Monthly
		Various Monthly and/or Ad Hoc Reports		Monthly and/or Ad Hoc	Monthly and/or Ad Hoc
		Client Consultation/Support		Acknowledge Request in 2 Business Days	Acknowledge Request in 2 Business Days
		CMrelated documentation (Organizational Change Approval Form, Staff Requisition)		One Business Day	One Business Day
Program Communications & Consultation		Media Relations		To meet client needs within Corporate Guidelines	To meet client needs within Corporate Guidelines
		Advertising and Promotion		To meet client needs within Corporate Guidelines	To meet client needs within Corporate Guidelines
		Special Events		To meet client needs within Corporate Guidelines	To meet client needs within Corporate Guidelines
		Issues Management		To meet client needs within Corporate Guidelines	To meet client needs within Corporate Guidelines
		Public Consultation Meetings		Meet Timeframe of project and/or Legislation	Meet Timeframe of project and/or Legislation
General Administration		Office Space Coordination		To meet client needs within Corporate Guidelines	To meet client needs within Corporate Guidelines
		Telephony Coordination		Within 5 working days 95% of the time	Within 5 working days 95% of the time
		Courier/Mail Services		Delivery within 2 working days 90% of the time	Delivery within 2 working days 90% of the time

## Service Types &amp; Levels

Service	Activity	Type	Sub-Type	2011 Current Service Levels	2012 Proposed Service Levels
Office of Emergency Management	Emergency Management Program Development	Toronto Emergency Management Program Committee (TEMPC)	Administrative Meetings	Meeting of the TEMPC maintained, 100% of the time.	Meeting of the TEMPC maintained, 100% of the time.
		Emergency Management Program Committee (EMWG)	Administrative Meetings	Meeting of the EMWG maintained, 100% of the time.	Meeting of the EMWG maintained, 100% of the time.
		Emergency Plan and Operational Support Functions (OSF)	Formulate emergency plan governing the provisions of the necessary services during an emergency and the procedures under and manner in which employees of the municipality and other persons will respond to the emergency	Emergency Plan and Operational Support Functions maintained, 100% of the time.	Emergency Plan and Operational Support Functions maintained, 100% of the time.
		Risk Specific Plans	The Province or TEMPC may designate OEM to address a specific type of emergency in its emergency plan.		<b>Toronto Nuclear Emergency Response Plan maintained, 100% of the time.</b>
		Training Program	Training program to ensure readiness of stakeholders to act under the emergency plan	Training program maintained, 100% of the time	Training program maintained, 100% of the time
		Exercise Program	Exercise to ensure Municipal Emergency Control Group readiness to act under the emergency plan	Municipal exercise training maintained, 100% of the time	Municipal exercise training maintained, 100% of the time
		Hazard Identification and Risk Assessment (HIRA)	Identification and assessment of various hazards and risks to public safety	HIRA report maintained, 100% of the time	HIRA report maintained, 100% of the time
		Critical Infrastructure (CI)	Identification of facilities and other elements of the infrastructure that are at risk by emergencies	CI inventory maintained, 100% of the time	CI inventory maintained, 100% of the time

## Service Types &amp; Levels

Service	Activity	Type	Sub-Type	2011 Current Service Levels	2012 Proposed Service Levels
Office of Emergency Management (Cont'd)	Emergency Management Program Development (cont'd)	Public Education Program	Public education on risks to public safety and on public preparedness for emergencies.	Public education program maintained, 100% of the time	Public education program maintained, 100% of the time
		Emergency Preparedness Week Activities	Public education on risks to public safety and on public preparedness for emergencies.	EP week activities maintained, 100% of the time	EP week activities maintained, 100% of the time
		Business Continuity	Business Continuity Program	Currently implementing program requirements	Currently implementing program requirements
		Business Information Exchange	Partnership with an external advisory panel to ensure strong relationships that could assist the City in preparing, responding and recovering from an emergency	Currently implementing program requirements	Currently implementing program requirements
	Emergency Management Response	OEM 24/7 On-Call	On call service	24/7 On-call maintained, 100% of the time.	24/7 On-call maintained, 100% of the time.
		Emergency Operation Centre (EOC)	24/7 operational and technological enabled EOC	OEM will maintain a 24/7 operational ready Emergency Operation Centre, 100% of the time.	<b>OEM will maintain a 24/7 operational ready Emergency Operation Centre using the Incident Management System, 100% of the time.</b>

## 2012 Recommended Service Levels - TEO

The 2012 Proposed Service Levels for the TEO are detailed below

## Service Types &amp; Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level
Environmental Support for Residents & Business	Community Grants	Individual Grant	Home Energy Assistance Toronto (HEAT) & Home Energy Help	Meeting set standard	Both programs ended in 2011 (2011 gross budget of \$3.355 million).
		Community Grant	Live Green Toronto Community Grant Funds	Meeting set standard	All enquiries are responded to within 48 hours and 100% of submitted grant applications are evaluated and responded to within the timelines defined for the applicable grant round.
		Community Grants	Community Program for Storm Water Management (CPSWM)	Meeting set standard	Program ended in 2011 (2011 gross budget of \$250,000 which was contained in Toronto Water's 2011 capital budget).
		Business Grants	Eco-roof Financial Incentive	Meeting set standard	All enquiries are responded to within 48 hours and 100% of submitted grant applications are evaluated and responded to within the timelines defined for the applicable grant round.
		Business Grants	ChemTRAC	Meeting set standard	All enquiries are responded to within 48 hours and 100% of submitted grant applications are evaluated and responded to within the timelines defined for the applicable grant round.
	Community Partnerships	A match or linkage	Corporate/Community Sponsorships & Partnerships	Meeting set standard	80% retention rate in sponsors and community partners.
	Community Engagement	A match or linkage	Live Green Toronto Festival	Meeting set standard	90% of the participating vendors rate the event a success and indicate a desire to participate again next year.
		A match or linkage	Live Green Toronto Membership Card	Meeting set standard	75% of the participating vendors rate the program a success and indicate a desire to participate again next year.
		Advocacy	Trade Shows & Community Events	Meeting set standard	90% of event organizers request the City to return to their next or future events.



## Service Types &amp; Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level
Environmental Support for Residents & Business (cont'd)	Community Engagement (Cont'd)	Advocacy	Cut It Out Toronto	Meeting set standard	Programmed in 2011.  Note: Non-staff time costs associated with this program were covered by the corporate partners – Canadian Tire.
		Advocacy	Smart Commute Toronto Central	Exceeding set standard	To meet or exceed the program targets as mutually agreed upon in the 50/50 funding agreement with Metrolinx.  Note: These targets are established in March of each year.
		Training Encounter - Learning Experience	Live Green Toronto Environmental Volunteers	Meeting set standard	90% of the volunteers indicate that the experience is worthwhile and that they would recommend it to others.
		Promotional Encounter	Green Toronto Awards	Meeting set standard	The number of nominations received per year remains consistent (around 150 nominations per year).
		Advisory	Live Green Toronto Website	Meeting set standard	Content on the Live Green Toronto website is relevant and updated every four weeks.
		Advisory	Live Green electronic newsletter and social media	Meeting set standard	Electronic newsletter is provided at least monthly and social media is updated regularly.
		Advisory	Live Green Toronto Animators	Meeting set standard	Programmed in 2011 (2011 gross budget was \$1 million).
Corporate Environmental Support	Strategic Policy Analysis Development & Implementation	A rule	Major Strategy	N/A	100% of developed policies and strategies comply with best practices or protocols.
		A rule	Policy or Regulatory Recommendation	Meeting set standard	100% of developed policies and strategies comply with best practices or protocols.

## Service Types &amp; Levels

Service	Activity	Type	Sub-Type	2011 Current Service Level	2012 Proposed Service Level
Corporate Environmental Support (cont'd)	Environmental Advisory, Coordination & Regulatory Reporting	Advisory Encounter	Advice for Councillors, Sr. Mgmt, other City Operations	Meeting set standard	100% of developed policies and strategies comply with best practices or protocols.
		Match/Coordination	Executive Environment Team (EET)	Meeting set standard	Meetings are organized and function according to the directive of the Deputy City Manager who is the Chair of EET.
		Match/Coordination	Other Committees or Working Groups, referrals	Meeting set standard	Meet expectations of assigned roles and responsibilities.
		Findings	Mandatory Regulatory Reporting	Meeting set standard	Ensure 100% of all legislated reporting deadlines are met every year.
	Program Design & Delivery	Implemented Change or Project	Risk Assessment (Climate Change Adaptation)	Meeting set standard	Ensure 100% of all conducted risk assessments comply with the documented process.
	Monitoring, Research & Evaluation	Findings	Green Initiatives Report / Implementation Status Reports	Decisions made by Executive Management delayed delivery of these reports until 2012	Meet the Council mandated requirement to report annually or bi-annually.
		Provide New Knowledge	Local Air Quality / Climate Drivers	Meeting set standard	100% of all research follows best practices or protocols.

## 2012 Service Deliverables

## Policy, Planning, Finance and Administration (PPFA)

The 2012 Recommended Operating Budget of \$22.104 million gross and \$9.852 million net includes funding to:

- ✓ Provide resources for the Major Capital Infrastructure Coordination Unit to improve coordination of major cross-divisional capital projects.
- ✓ Provide internal controls and compliance with corporate policies and procedures.
- ✓ Process payroll for over 6,850 Cluster B employees.
- ✓ Process \$200 million in accounts receivable and \$482 million in accounts payable transactions and 10,446 purchase orders, blanket contracts valued at \$820 million.
- ✓ Provide management reporting on financial, human resource and customer service measures.

- ✓ Provide communication support for Cluster B divisions such as media relations, program advertising, presentation and special event support.
- ✓ Provide financial analysis and advice to support decision making across Cluster B divisions.
- ✓ Update the City's emergency management plan, operational support function plans and emergency operating procedures.
- ✓ Conduct one emergency management exercise.
- ✓ Begin consequence management planning for the 2015 Pan Am Games and other large- scale events.

### Toronto Environment Office (TEO)

The 2012 Recommended Operating Budget of \$5.285 million gross and \$2.661 million net for Toronto Environment Office will provide funding to continue the following activities:

- ✓ Support residents, businesses and neighbourhoods in taking action on climate change and air quality through the provision of expertise and financial support.
- ✓ Encourage all residents and businesses to take action on improving the natural environment through community outreach activities delivered as part of the Live Green Toronto, Smart Commute and other programs.
- ✓ Engage with internal and external stakeholders in policy and new program development and delivery.
- ✓ Work on identifying environmental issues and concerns.
- ✓ Support all City Divisions and Agencies in undertaking actions necessary to develop and implement major environmental strategies, in particular the Climate Change Action Plan, the Climate Change Adaptation Strategy and the Sustainable Energy Strategy.

## PART III: RECOMMENDED BASE BUDGET

### Policy, Planning, Finance and Administration (PPFA)

#### 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
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<b>Approved Positions</b>	229.1	208.1	(21.0)	(9.2)	0.0	0.0

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 1Rec'd Reduction vs. 2012 10% Reduction Target	Target %
<b>2012 Reductions</b>	(1,120.8)	(1,812.9)	<b>692.1</b>	<b>16.2%</b>

### 2012 Recommended Base Budget

- The 2012 Recommended Base Budget of \$9.852 million net is \$1.455 million or 12.9% below the 2011 Approved Operating Budget of \$11.307 million.
- The 2012 Recommended Base Budget of \$9.852 million includes Program budget reductions of \$1.813 million or 16.2%, which is \$0.692 million or 6.2% over the PPFA's 2012 reduction target of \$1.121 million net. This reduction includes a combination of base budget reductions (\$0.582 million) and service efficiencies (\$1.231 million).
- The 2012 Operating Budget for PPFA reflects a reduction of 26 positions. The total staff complement will decrease from 234.1 to 208.1 positions as noted below:

## 2012 Recommended Staff Complement - Base Budget Summary

Changes	Staff Complement
<b>2011 Approved Positions</b>	234.1
- 2011 In-year Adjustments	(5.0)
2011 Approved Staff Complement	<b>229.1</b>
<b>2012 Recommended Staff Complement Changes</b>	
- 2012 Temporary Positions - Capital Project Delivery	
- 2012 Operating Impacts of completed Capital Projects	
- 2012 Service Changes	(21.0)
<b>Total Recommended Positions</b>	<b>208.1</b>

- A reduction of 5 positions results from transfer of the Community Outreach Staff to Toronto Water as a result of internal review conducted by PPFA's Strategic Policy Group.
- A reduction of 21 positions results from recommended service efficiency changes (see page 21 to 22 for more details).

## Toronto Environment Office (TEO)

## 2012 Recommended Base Budget

(In \$000s)

(In \$000s)	2011 Appvd. Budget	2012 Recommended	Change		FY Incremental Outlook	
			2012 Recommended Base v.		2013	2014
	\$	\$	\$	%	\$	\$
<b>GROSS EXP.</b>	11,529.0	5,284.5	(6,244.5)	(54.2)	(2,292.6)	29.3
<b>REVENUE</b>	8,314.8	2,623.8	(5,691.0)	(68.4)	(2,318.7)	0.0
<b>NET EXP.</b>	3,214.2	2,660.7	(553.5)	(17.2)	26.1	29.3
<b>Approved Positions</b>	26.6	20.6	(6.0)	(22.6)	(1.0)	0.0

Target Comparison	10% Reduction Target	2012 Rec.'d Reduction	2012 1Rec'd Reduction vs. 2012 10% Reduction Target	Target %
<b>2012 Reductions</b>	(320.1)	(553.5)	233.4	17.3%

- The 2012 Recommended Base Budget of \$2.661 million net is \$0.554 million or 17.2% below the 2011 Approved Operating Budget of \$3.214 million net.

- TEO's 2012 Recommended Budget of \$2.661 million has exceeded its target reduction of \$0.320 million by \$0.233 million or 7.3% with a total budget reduction of \$0.554 million being recommended for 2012. These savings will be achieved through service efficiencies (\$0.554 million).
- The 2012 Recommended Base Budget for TEO reflects the deletion of 6 positions, resulting in the Program's total staff complement decrease from 26.6 to 20.6 positions as noted below:

#### 2012 Recommended Staff Complement - Base Budget Summary

Changes	Staff Complement
<b>2011 Approved Positions</b>	26.6
- 2011 In-year Adjustments	
2011 Approved Staff Complement	<b>26.6</b>
<b>2012 Recommended Staff Complement Changes</b>	
- 2012 Base Changes	(1.0)
- 2012 Temporary Positions - Capital Project Delivery	
- 2012 Operating Impacts of completed Capital Projects	
- 2012 Service Changes	(5.0)
<b>Total Recommended Positions</b>	<b>20.6</b>

- A reduction of 1 position results from the reduction of base budget for the Live Green Marketing.
- A reduction of 5 positions results from service efficiency changes (see page 22 to 23 for more details).

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.
<b>Base Changes:</b>								
<b>Base Expenditure Changes</b>								
Reduction of Non-Staff Costs - PPFA		(513.5)	(513.5)	3.6%				
<b>Base Expenditure Changes</b>	-	(513.5)	(513.5)	3.6%				
<b>Base Revenue Changes</b>								
IDR from SWM for Service Delivery & Major Capital Infrastructure Unit			(68.7)	0.5%				
<b>Base Revenue Changes</b>	-	-	(68.7)	0.5%				
<b>Sub-Total Base Budget Changes</b>	-	(513.5)	(582.2)	4.0%				
<b>Service Efficiencies</b>								
Financial Management - Service Efficiencies - PPFA	(7.0)	(597.6)	(496.0)	3.4%				
Program Support - Service Efficiencies - PPFA	(14.0)	(1,049.5)	(734.7)	5.1%	(58.0)			
Environmental Support for Residents & Businesses - Service Efficiencies - TEO	(1.0)	(1,235.6)	(180.3)	1.3%				
Corporate Environmental Support - Service Efficiencies - TEO	(4.0)	(398.1)	(373.2)	2.6%				
<b>Sub-Total Service Efficiencies</b>	(26.0)	(3,280.8)	(1,784.2)	12.4%	(58.0)			
<b>Revenue Adjustments:</b>								
<b>Minor Service Impact:</b>								
<b>Major Service Impact:</b>								
<b>Total Service Changes</b>	<b>(26.0)</b>	<b>(3,794.3)</b>	<b>(2,366.4)</b>	<b>16.4%</b>	<b>(58.0)</b>			

## 2012 Recommended Service Changes

- Recommended services changes for PPFA and TEO total \$2.366 million net and include base budget reductions of \$0.582 million and service efficiencies of \$1.784 million. These changes will not impact 2011 approved service levels provided by PPFA and TEO. Approval of the recommended service changes will result in the combined staff

complement for PPFA and TEO from 255.7 to 228.7. The recommended changes are discussed below.

### Base Expenditure Changes

#### Policy, Planning, Finance and Administration (PPFA)

- Reduction of Non- Staff Costs: Based on a detailed review of actual spending various non- salary expenses were adjusted resulting in savings of \$0.514 million. These non- salary expenses include car allowance (\$0.005 million), materials and supplies (\$0.069 million), equipment (\$0.064 million), services and rents (\$0.213 million), contribution to reserves (\$0.080 million) and inter- divisional charges (\$0.083 million).

### Base Revenue Changes

#### Policy, Planning, Finance and Administration (PPFA)

- IDR from Solid Waste Management for Service Delivery and Major Capital Infrastructure Unit: The inter- divisional recovery (IDR) was increased by \$0.068 million to maintain the full cost recovery for services to Solid Waste Management.

### Service Efficiencies

#### Policy, Planning, Finance and Administration (PPFA)

- Financial Management – Service Efficiencies (\$0.496 million net) include:
  - Elimination of Vacant Positions through Vacancy Review: Through the vacancy review, PPFA will reduce its staff complement by four approved positions including two Budget Analyst positions, one Accounting Assistant 4 position and one Supervisor position. All positions are currently vacant. The workload will be reallocated to existing staff without any impact on service delivery. This reduction will result in savings of \$0.232 million.
  - Centralization of the Financial Services Unit: Currently, PPFA provides financial services to client divisions in Cluster B at various locations. Efficiencies will be achieved with the planned centralization of the Financial Services Units from various locations into two locations at the end of 2011, which will allow working more effectively with fewer staff without an impact on service delivery. This will generate savings of \$0.264 million as 3 permanent vacant positions, no longer required, will be eliminated at the end of 2011.
- Program Support – Service Efficiencies (\$0.735 million net in 2012 and \$0.058 million net in 2013) changes include:
  - Centralization of Administrative Services Unit – from 6 Locations to 3 Locations: Staff in the Administrative Services Unit provides support to Cluster B Client Divisions in the areas of payroll and attendance management reporting.



Efficiencies will be gained through planned centralization of various locations by the first half of 2012 with the intent of re-balancing workload within the group and by measuring performance of individual staff to ensure staff are being maximized to their full potential. This change will not impact service level delivery. Five vacant positions and five filled positions that will become vacant at the end of 2011 will be deleted permanently resulting in savings of \$0.519 million.

- Reduced Need for Communication Unit Support:
  - The Communication Unit within PPFA provides Communication support to Divisions in Cluster B. The Communication Unit in the Toronto Water indicated reduced need for Communication in the future what results in a permanent reduction of one filled position in the amount of \$0.011 million with no impact on the service level. This position will become vacant at the end of 2011.
  - In addition, in 2011 Community Outreach Unit has been transferred to Toronto Water and reports directly to Toronto Water now. Since this Unit is no longer under PPFA, it is recommended that one vacant Community Outreach Supervisor position be deleted as it is no longer required. This reduction will generate savings of \$0.102 million.
  - Finally, after reviewing the operations of Public Consultation Unit within Communication and Consultation Section, it was concluded that recycling education is not part of the work carried out by this Unit and therefore there is no need for the Recycling Advisor position. This filled position will become vacant and will be deleted permanently at the end of 2011 for the cost savings of \$0.045 million.
- Program Support – Confidential Program Savings: Details on these savings resulting in the elimination of 1 position and savings of \$0.058 million are available for review in Confidential Attachment 1 under separate cover.

#### Toronto Environment Office (TEO)

- Environmental Support for Residents & Businesses – Service Efficiencies (\$0.180 million net) changes include:
  - Smart Commute Efficiencies:
    - The Smart Commute Program can reduce its financial support to Third Party agencies based on their expected increase in contributions from their Smart Commute clients in 2012. Therefore the amount of \$0.014 million is recommended to be reduced in 2012 with no impact on service delivery.
    - A further \$0.038 million in service efficiency savings is recommended based on the elimination of 1 vacant Coordinator position in the Smart Commute

Program. Existing staff will continue to provide the services of this deleted vacant position.

- Elimination of Live Green Toronto Animators: In 2008, the City entered into contracts with ACORN Canada and Eco- Spark to deliver the services for the Community Animators' Program created to assist community groups and neighbourhoods to turn green ideas into reality. As the ACORN's contract ended in September and Eco- Spark's contract terminates on November 30, 2011 the Community Animator's Program will not be active in 2012. Deletion of this Program provides savings of \$0.968 million gross and \$0 net.
- Reduction in Community Outreach & Engagement: The TEO has reviewed its participation in tradeshow and community events and has refined its approach to reach residents in more effective manner resulting in savings of \$0.129 million. There is no service level impact as a result of this reduction.
- Corporate Environment Support – Service Efficiencies (\$0.373 million net) changes include:
  - Some programs in TEO's 5- year Climate Change Action Plan, approved in 2008, will be completed at the end of 2011 which allows for a deletion of 3 positions, 1 vacant Supervisor Position and 2 permanent Senior Environmental Planner positions without any impact on service levels. Work that would be carried forward into 2012 by the staff in these three positions will be re- assigned to other TEO staff. Achieved savings total \$0.298 million.
  - Corporate Environment Support: One approved position will be reduced from the TEO's 2011 approved complement at the end of 2011, providing savings of \$0.075 million. Please refer to Confidential Attachment 1 under separate cover.

## 2013 and 2014 Outlook:

- The 2013 and 2014 Outlooks for PPFA and TEO do not include provisions for Cost of Living Adjustments (COLA) as these increases are subject to future negotiations. In addition, incremental Outlooks include funding for additional working day in 2013 of \$0.065 million for PPFA and \$0.010 million for TEO and a net incremental cost reduction in 2014 of \$(0.065) million for PPFA and \$(0.010) million for TEO to reverse one time funding that will be provided for an additional working day in 2013.
  - PPFA: The 2013 Outlook of \$0.144 million net and 2014 Outlook of \$0.177 million net is primarily attributed to salary and benefits costs and step and progression pay increases. These Outlooks maintain the 2012 recommended service levels.

- TEO: The 2013 Outlook of \$0.026 million and 2014 Outlook of \$0.029 million is comprised of an estimate for step and progression increases.
  - The 2013 Outlook results in a reduction of \$2.293 million gross and \$2.319 million in revenue due to ending of Climate Change Action Plan in 2012. It also includes a reduction of one position of Senior Environmental Planner in 2013.

## Part V: ISSUES FOR DISCUSSION

### 2012 and Future Year Issues

#### 2012 Issues

##### Core Service Review Approvals

On September 26, 27, 2011 City Council adopted a report 'Core Service Review – Final Report to Executive Committee' from the City Manager that addressed the results of the detailed Core Service review conducted by KPMG. Council approved recommendations regarding PPFA and TEO; namely:

##### Policy, Planning, Finance and Administration (PPFA)

- City Council request the City Manger to review the remaining efficiency related opportunities as set out in Appendix E of the report (September 9, 2011) from the City Manager, to determine whether and in what manner implementation is appropriate through the 2012, 2013 and 2014 Operating Budget, subject to Toronto Municipal Code Chapter 71, Financial Control, City and agency collective agreements, and human resource policies. Appendix E listed 5 opportunities for service efficiencies (#63 to #67) that were identified for PPFA:
  - Consider forming a single shared service organization for Finance Management
  - Consider forming a single shared service organization of Administration
  - Consider opportunities to use technology to automate manual processes
  - Consider external partners for some Program Review activities such as continuous improvement initiatives, quality management, and business process reengineering support
  - Consider moving Performance Measurement to a single Finance shared service group.

These opportunities will be reviewed during 2012 for implementation through the 2013 Operating Budget process. An efficiency study examining the shared services model for finance and administration functions will be undertaken by early 2012.

##### Toronto Environment Office (TEO)

- Executive Committee Decision Advice #2: Referred the following recommendations in the report (September 9, 2011) from the City Manager, back to the City Manager for consideration as part of 2012 and 2013 budget process:

- (1.O) – Toronto Environment Office – consolidate, and reduce environmental services within divisions, and agencies, and refocus their mandates on services that, in the opinion of the City Manager, are required to meet regulatory environmental reporting requirements, support the City's interests, or have the greatest return on investment.
- In addition, at its meeting of April 12, 2011, City Council approved a report from the City Manager titled 'Service Review Program, 2012 Budget Process and Multi- Year Financial Planning Process', dated March, 2011. The report directed that, in addition to other reviews, a service efficiency review be undertaken for environmental programs (across City programs and agencies).

The opportunities identified through the Core Service review will be reviewed during 2012 for implementation through the 2013 Operating Budget process. An efficiency study reviewing environmental and energy programs will be undertaken by early 2012.

## Future Year Issues

### Toronto Environment Office (TEO)

#### Climate Change Action Plan and HEAT Program:

- In 2008 City Council approved 5- year (2008 to 2012) Climate Change Action Plan with a total project cost of \$20.190 million partially funded by the Strategic Infrastructure Reserve Fund in the amount of \$16.690 million with an increase of \$0.500 million approved in 2009 (for a total of \$17.190 million): The Climate Action Plan included the following initiatives:
  - Live Green Toronto initiative (\$14.550 million);
  - Eco- Roofs program (\$2.400 million);
  - Transportation Demand Management program (\$1.400 million);
  - Climate Change Adaptation Strategy (\$2.650 million);
  - Phase Out of Two Stroke Engines (\$0.100 million);
  - Identification of Opportunities to Expand Deep Lake Water Cooling (\$0.100 million); and,
  - Air Quality and Greenhouse Gas Emissions Monitoring and Modeling (\$0.390 million).
- In August 2009, a total of \$9.000 million with funding available from the Strategic Infrastructure Reserve Fund was also approved by City Council for Home Energy Assistance Toronto (HEAT) Program to be delivered by TEO between 2009 and 2012. The program was designed with the intention of leveraging provincial and federal

investments in Toronto's low-rise building stock by encouraging more people to participate in the ecoENERGY and Ontario Home Energy Savings Programs.

- The actual contributions from the Strategic Infrastructure Partnership Reserve Fund were much lower than budgeted in 2008 to 2010 due to delayed staffing hiring and longer than anticipated implementation process for developing and establishing some of the initiatives approved in the Climate Change Action Plan and HEAT Program. The unspent reserve funding was re-budgeted in subsequent years.

Original Plan	2008 Plan	Actuals \$	2009 Plan	Actuals \$	2010 Plan	Actuals \$	2011 Plan	Projected Actuals \$	2012 Plan	Estimated Actuals \$	TOTAL PLAN	TOTAL ACTUALS	UNSPENT RESERVE FUND
	Original Plan		Original Plan		Original Plan		Original Plan		Original Plan				
Climate Change Action Plan	2,460		4,725		3,895		3,185		2,925		17,190		
HEAT			500		2,000		3,000		3,500		9,000		
<b>Total</b>	<b>2,460</b>		<b>5,225</b>		<b>5,895</b>		<b>6,185</b>		<b>6,425</b>		<b>26,190</b>		
Adjusted Plan	Adjusted Plan	Actuals \$	Adjusted Plan	Actuals \$	Adjusted Plan	Actuals \$	Adjusted Plan	Projected Actuals \$	Adjusted Plan	Estimated Actuals \$	TOTAL PLAN	TOTAL ACTUALS	UNSPENT RESERVE FUND
Climate Change Action Plan	2,460		935		4,725		3,148		6,115				
HEAT			500	335	4,250	2,086	2,975	3,129			9,000	5,550	3,450
<b>Total</b>	<b>2,460</b>	<b>935</b>	<b>5,225</b>	<b>3,483</b>	<b>10,365</b>	<b>6,219</b>	<b>7,545</b>	<b>6,740</b>	<b>3,374</b>	<b>2,022</b>	<b>26,190</b>	<b>19,398</b>	<b>6,792</b>

- Based on the actual expenditure between 2008 and 2010 and forecasted and planned expenditure for 2011 and 2012, TEO is anticipated to have under spent reserve funds by \$6.792 million at the end of 2012.
- This under-expenditure of approximately \$6.792 million resulted from:
  - Delays in staffing hiring and longer than planned implementation process for developing and establishing some of the initiatives approved in the Climate Change Action Plan and Heat Program. This delayed the implementation of initiatives and made it difficult to achieve the goals of the Climate Change Action Plan and HEAT Program within the established time framework.
  - In addition, in 2011, TEO concluded the HEAT (Home Energy Assistance Toronto) Program, a year earlier than anticipated because the Federal and Provincial Governments ended their related programs one year early. The early conclusion of this initiative resulted in unspent balances in reserve funds. Despite ending the HEAT Program a year earlier, the Program assisted over 21,500 households in making their homes more energy efficient.

## Appendix 1

### 2011 Performance

#### 2011 Key Accomplishments:

Policy, Planning, Finance and Administration (PPFA)

In 2011, Policy, PPFA's accomplishments included the following:

##### Financial Management

- ✓ Completed the roll out of imaging enhancement for payment processing for all cluster B divisions to promote environmental stewardship, leverage technology, reduce payable cycle times, reduce vendor inquiries, improve on the payable follow-up process, and to achieve effective management of the payables process.
- ✓ Increased the efficiency of business operations by centralizing staff and financial support functions from the district offices into two central locations in the south district

##### Program Support

- ✓ Validated time & attendance approval process across Cluster B
- ✓ Completely redesigned Notification Guide for Design and Construction Projects and introduced it to the program areas involved in capital work projects.
- ✓ Provided support for contracting out garbage collection.

##### Major Capital Infrastructure Coordination Office:

- ✓ Developed a standardized Capital Program submission template for TPUC (Toronto Public Utility Coordination Committee) members to reduce the use of corporate resources and the potential for human error.
- ✓ Enhanced the existing software used to coordinate the capital programs of all TPUC (Toronto Public Utility Coordination Committee) members to identify a greater range of coordinated capital project opportunities for use in the development of a coordinated 5 Year Capital Works Plan for Transportation Services and Toronto Water.

##### Office of Emergency Management

- ✓ Developed an approach and executed work to address the Auditor General's concerns about Pandemic Influenza Business Continuity Plan, received approval and sign-off on the Plan.

- ✓ Reconfigured City of Toronto Emergency Operations Centre (EOC) into an Incident Management System (IMS) format, a standardized system for coordinating emergencies which focuses on functional teams, managing by objectives and incident action planning.

#### Toronto Environment Office (TEO)

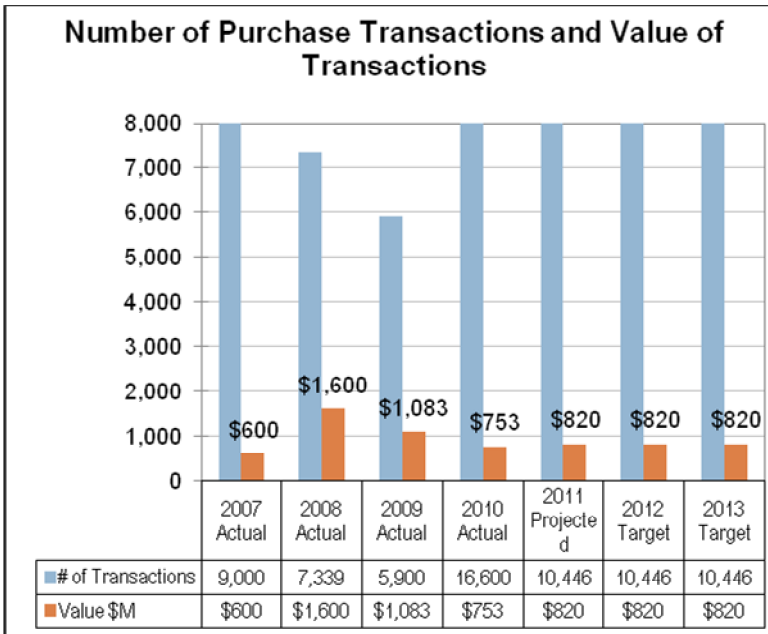
- ✓ Completed environmental regulatory submissions to Federal and Provincial governments.
- ✓ Conducted an air quality study of east- end Toronto: The Golder Report.
- ✓ Completed the Extreme Weather Events Research Study and established "WeatherWise Partnership" with CivicAction to adapt and respond to extreme weather.
- ✓ Implemented training program for landscapers to reduce small engine use and retired 2,000 old polluting small engines via the Cut- it Out program.
- ✓ Supported energy conservation in over 21,500 households via Home Energy Assistance Toronto and assisted 200 low income homes via Home Energy Help.
- ✓ Reached 350,000 residents via Live Green Toronto program: Animators, web- site, and community events: CNE, Canada Blooms, Home Show, Green Living Show and Festival.
- ✓ The Smart Commute Toronto Central Program continued to grow: 110,000 employees.
- ✓ The Live Green Membership Card grew to 330 businesses and 16,000 green consumers.
- ✓ Supported community engagement via the Live Green Toronto Community Investment Fund and assisted businesses via the Eco- Roof Financial Incentive.
- ✓ Produced the 8th Annual Green Toronto Awards, held in April 2011.
- ✓ Managed Live Green Toronto Environmental Volunteers: 1,200 registered volunteers.
- ✓ Council adopted an amended Local Food Procurement Policy.
- ✓ Developed a revised Carbon Credit Policy, which is under review by City Council.
- ✓ Researched the content of a report on commercial introduction of electric vehicles.



## 2011 Performance

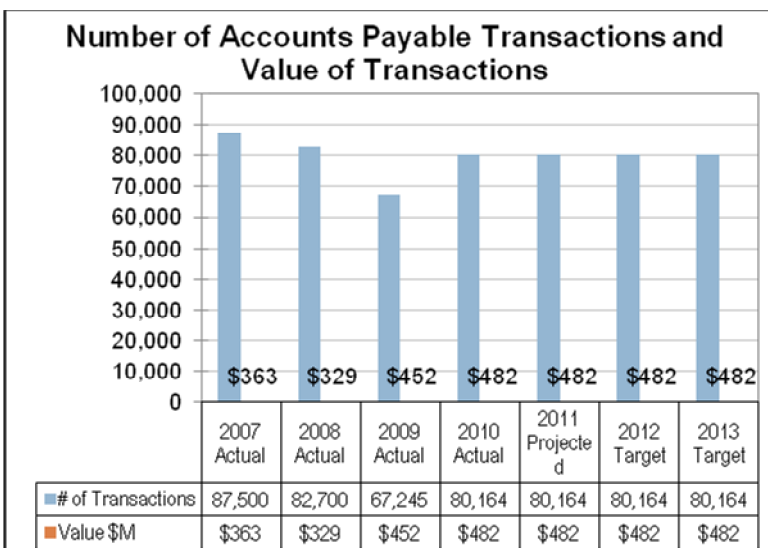
### Policy, Planning, Finance and Administration (PPFA)

- PPFA's performance measures are based on volume and value of transactions as indicated below:
  - Purchases



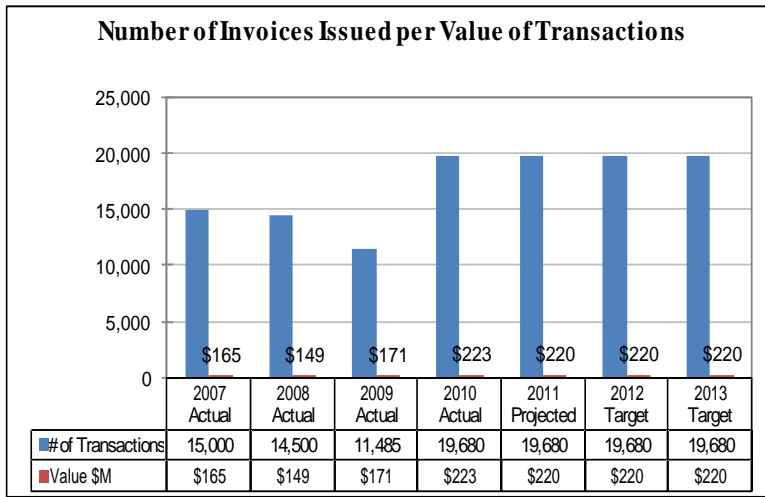
- In 2009, the volume of purchasing transactions declined to 5,900 due to disentanglement of Fire Services and exclusion of 10,200 purchasing documents created by Toronto Water Staff instead of PPFA Staff.
- In 2010, the volume increased from by 10,700 to 16,600 transactions due to much higher number of purchasing documented created by PPFA Financial Services Units.
- In 2011, number of purchase transactions declined back to 2009 level as more Blanket Contracts have been issued is expected to remain at that level in future years.

- Accounts Payable



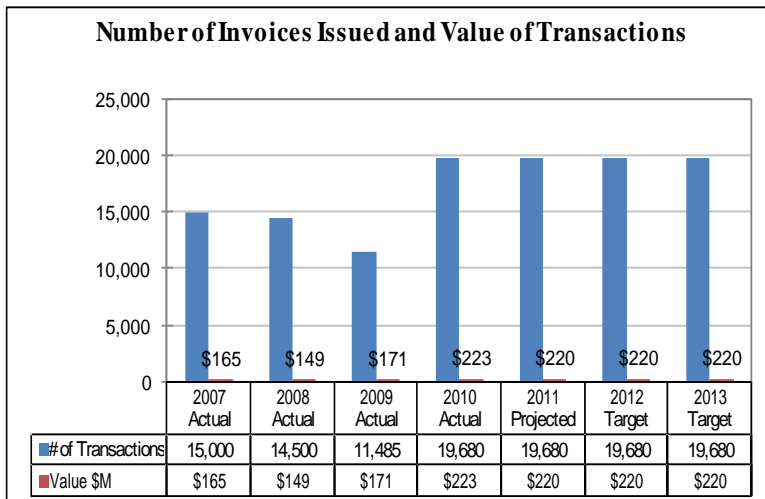
- In 2007 and 2008, PPFA processed AP transactions for Fire and the volume of AP transactions was around 80,000
- In 2008, the volume went down by 20,000 transactions due to disentanglement of Fire Services.
- In 2010 the volume of invoices increased again to around 80,000 due to inclusion of grant payments and is expected to remain steady in 2011 and future years.

➤ Invoices Issued



- 2009 actuals declined due to disentanglement of Fire Services.
- 2010 actuals increased due to the new revenue stream: Municipal Licensing & Standards re- inspection fee and late payment charges introduced in 2010.

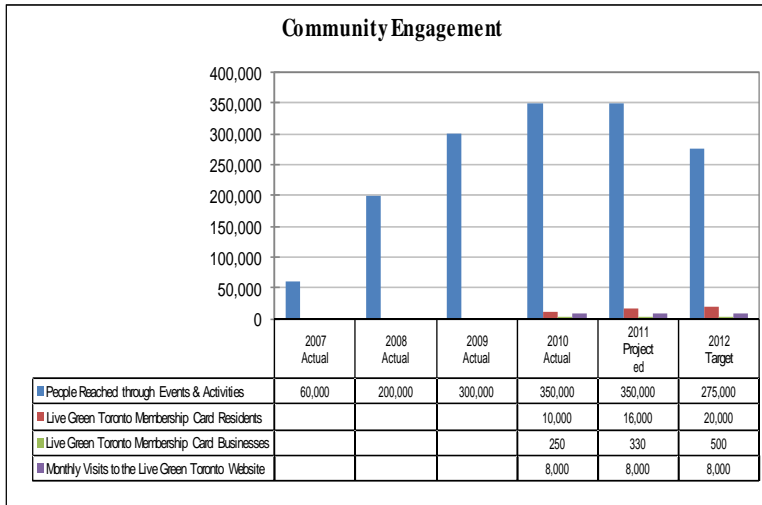
➤ Accounts Receivable



- 2009 actuals declined due to disentanglement of Fire Services.
- 2010 actuals increased due to the new revenue stream: Municipal Licensing & Standards re- inspection fee and late payment charges introduced in 2010.

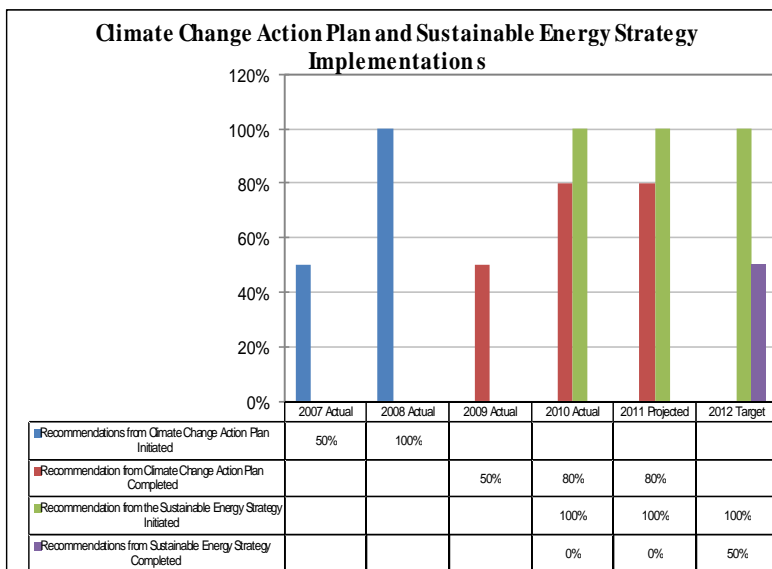
Toronto Environment Office (TEO)

- Performance and outcome measures with annual targets are not available for TEO and are currently being developed by TEO. The following tables summarize activity levels for key initiatives by the TEO:
  - Community Engagement



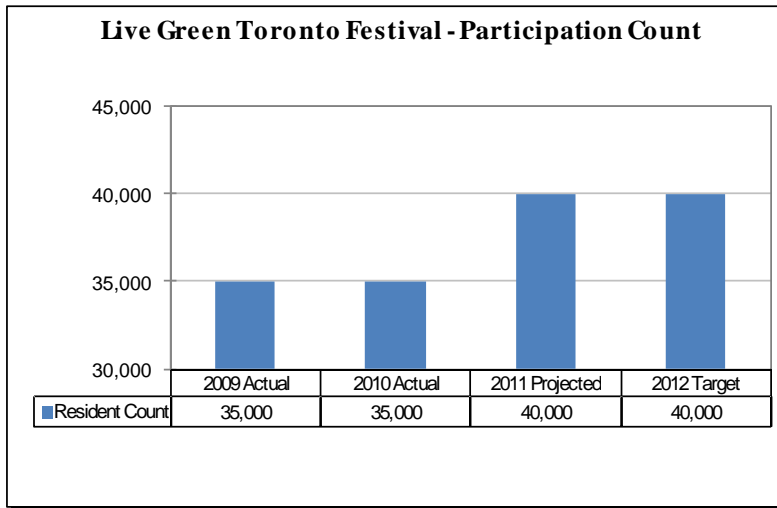
- The number of people that will be reached in 2012 through community events and activities will be lower because the TEO has refined its approach to one that will not reach as many people but will engage people in more meaningful and effective manner, resulting in a greater impact in the community.

- Climate Change Action Plan (adopted July 2007) and Sustainable
- Energy Strategy (adopted Nov 2009) Implementation

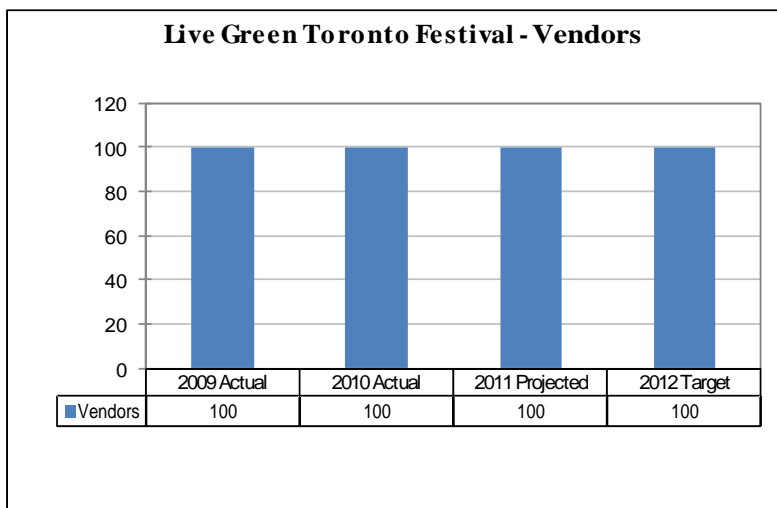


- All the actions adopted by City Council in 2007 as part of the Climate Change Action Plan have been implemented except for those where changes in Provincial legislation or programs made the action redundant.
- All of the actions adopted by City Council in 2009 as part of the Sustainable Energy Strategy have been initiated with a significant number expected to be completed in 2012.

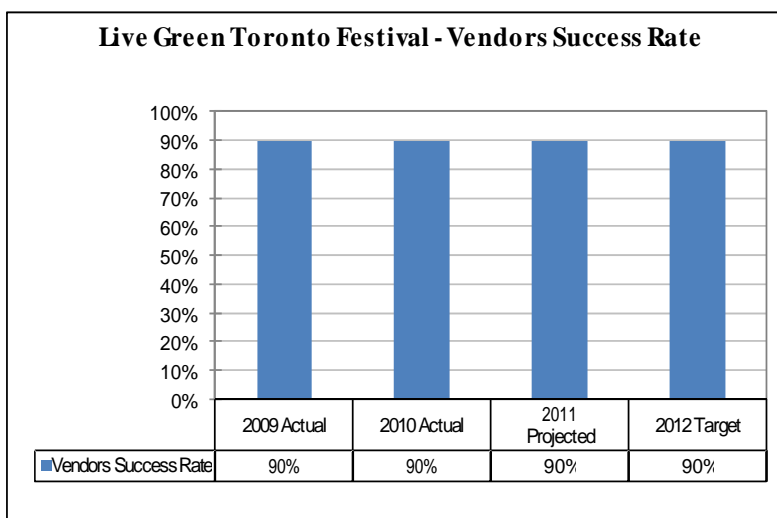
➤ Live Green Toronto Festival



- In 2009 the Festival was moved to Yonge- Dundas Square and involves a closure of four blocks of Yonge Street. This change significantly boosted attendance which has settled at around 40,000 people and is expected to continue at this rate.

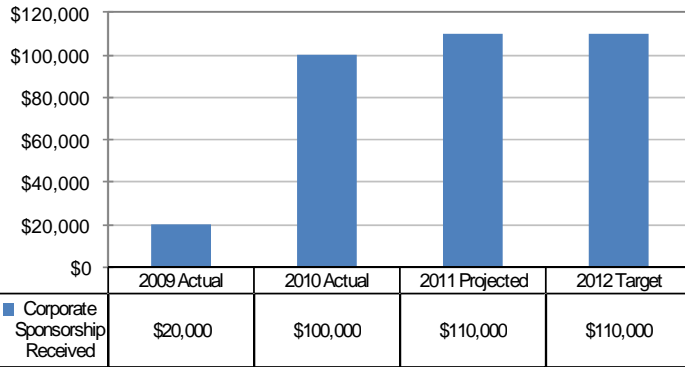


- The maximum number of vendors which can be accommodated at the festival is 100. Every year there are more applications than space but additional vendors cannot be physically accommodated.



- The vendors are asked how they would rate the festival and their willingness to participate again next year. Every year almost 100% of the participating vendors indicate that they deem the festival a success and a desire to participate again next year.

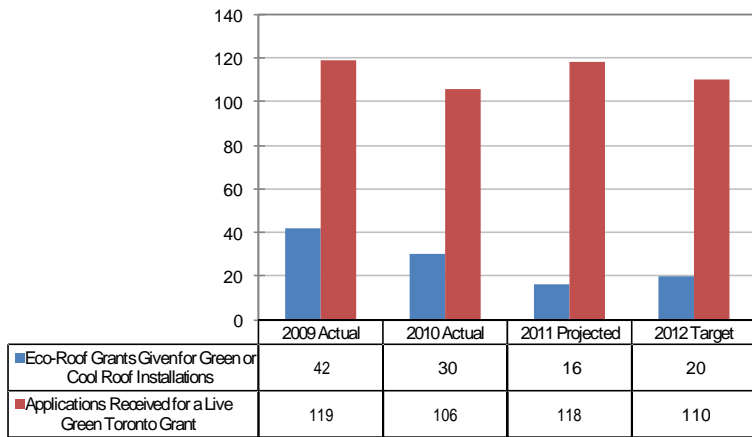
**Live Green Toronto Festival - Corporate Sponsorships Received**



- The 2011 Festival was supported by generous sponsors including main stage sponsor Canadian Tire, as well as, TD Friends of the Environment Foundation, Zipcar, Bullfrog Power, Hard Rock Café, Delta Chelsea Hotel, Green Living Enterprises and Citytv.

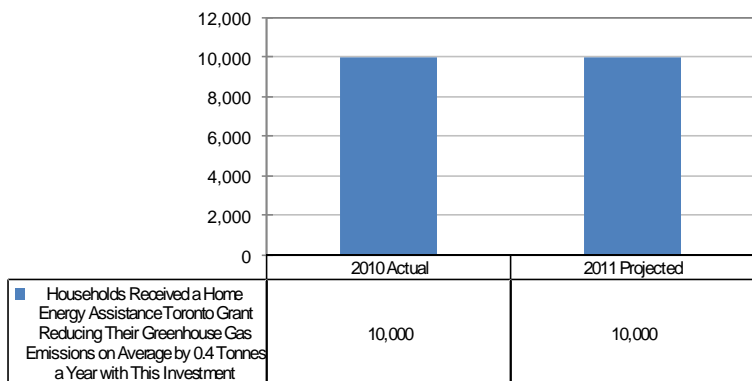
➤ Environmental Grants

**Environmental Grants**



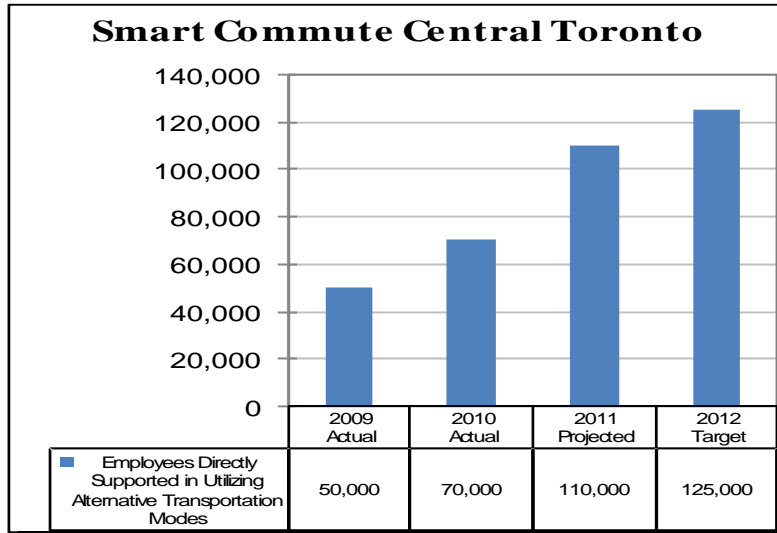
- The Home Energy Assistance Toronto (HEAT) program ended in 2011. The total number of households that participated was just over 21,500 and helped these residents reduce their emissions by an estimated 5,700 tonnes.
- The Live Green Toronto Environmental Grants program has assisted over 98 neighbourhood led projects of which 51 are now complete. Those 51 completed projects leveraged about \$7 from other funding sources for every \$1 of funding from the Live Green Toronto program.

**Environmental Grants**



- Funding for the Eco- Roof program is moving from dedicated funds to those generated through the cash-in-lieu policy associated with the City's Green Roof Bylaw, therefore the decline in number of grants awarded.

➤ Smart Commute Central Toronto



- Brookfield Properties has become one of the largest partners in the Smart Commute Toronto Central program and has signed up 8 of the buildings the company manages to the Smart Commute program.
- Currently the program has a list of 17 potential partners which have initiated discussions about joining the Smart Commute program. There is significant growth potential for the program in 2012.

## 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	
	\$	\$	\$	\$	\$	%
<b>GROSS EXP.</b>						
Policy, Planning, Finance & Administration	21,356.9	20,749.5	23,906.9	20,518.2	(3,388.7)	(14.2)
Toronto Environment Office	6,867.3	10,021.4	11,529.0	11,369.0	(160.0)	(1.4)
	28,224.2	30,770.9	35,435.9	31,887.2	(3,548.7)	(10.0)
<b>REVENUES</b>						
Policy, Planning, Finance & Administration	10,422.0	10,086.4	12,599.8	10,575.6	(2,024.2)	(16.1)
Toronto Environment Office	3,531.3	6,684.0	8,314.8	8,314.8	-	-
	13,953.3	16,770.4	20,914.6	18,890.4	(2,024.2)	(9.7)
<b>NET EXP.</b>						
Policy, Planning, Finance & Administration	10,934.9	10,663.1	11,307.1	9,942.6	(1,364.5)	(12.1)
Toronto Environment Office	3,336.0	3,337.4	3,214.2	3,054.2	(160.0)	(5.0)
	14,270.9	14,000.5	14,521.3	12,996.8	(1,524.5)	(10.5)
<b>Approved Positions</b>						
Policy, Planning, Finance & Administration	209.1	193.1	229.1	199.1	(30.0)	(13.1)
Toronto Environment Office	24.0	24.0	26.6	23.6	(3.0)	(11.3)
	233.1	217.1	255.7	222.7	(33.0)	(12.9)

\* Based on the Third Quarter Operating Budget Variance Report.

## 2011 Experience

- The Third Quarter variance report projects that PPFA and TEO will experience \$1.525 million or 10.5% in under spending below the 2011 Approved Operating Budget of \$14.521 million by year- end.
  - PPFA is projecting to spend \$9.943 million which is below the 2011 Approved Budget of \$11.307 million by \$1.365 million or 12.1%. This favourable variance is mainly attributed to the under- expenditure in salaries and benefits due to the large number of vacancies held as a result of the hiring slow- down.

- TEO projects a favourable variance of \$0.160 million or 5.0% by year- end as a result of under- expenditure in salaries and benefits arising from vacancies.



### Impact of 2011 Operating Variance on the 2012 Recommended Budget

- As a result of large number of vacancies in PPFA, 13 vacant positions included in Service Efficiencies in the 2012 Recommended Operating Budget are recommended for elimination what will result in savings of \$0.847 million.
- Three vacant positions are included in Service Efficiencies in the TEO's 2012 Recommended Operating Budget to be eliminated what will result in savings of \$0.141 million.

## Appendix 2

### 2012 Recommended Operating Budget by Expenditure Category and Key Cost Drivers

Policy, Planning, Finance and Administration (PPFA)

#### 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	16,559.2	17,679.3	19,941.0	16,936.9	18,647.9	(1,293.1)	-6.5%	18,842.4	19,005.5
Materials and Supplies	1,230.2	1,016.5	1,340.8	1,106.2	1,271.8	(69.0)	-5.1%	1,271.8	1,271.8
Equipment	86.3	238.2	268.2	243.2	204.1	(64.1)	-23.9%	204.1	204.1
Services & Rents	818.7	672.1	978.6	853.6	765.6	(213.0)	-21.8%	765.6	765.6
Contributions to Capital									
Contributions to Reserve/Res Funds	169.1	170.0	201.4	201.4	121.5	(79.9)	-39.7%	121.5	121.5
Other Expenditures	12.5	8.3	0.0	0.0	0.0	0.0	0.0%		
Interdivisional Charges	2,480.9	965.1	1,176.8	1,176.8	1,093.1	(83.7)	-7.1%	1,093.1	1,093.1
<b>TOTAL GROSS EXPENDITURES</b>	<b>21,356.9</b>	<b>20,749.5</b>	<b>23,906.8</b>	<b>20,518.1</b>	<b>22,104.0</b>	<b>(1,802.8)</b>	<b>-8.7%</b>	<b>22,298.5</b>	<b>22,461.6</b>
Interdivisional Recoveries	8,394.0	7,646.3	10,307.4	8,283.2	9,959.5	(347.9)	-3.4%	10,010.4	9,996.3
Provincial Subsidies		129.5							
Federal Subsidies									
Other Subsidies									
User Fees & Donations									
Transfers from Capital Fund	2,283.2	2,304.2	2,292.3	2,292.3	2,292.3	0.0	0.0%	2,292.3	2,292.3
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	(255.2)	6.4							
<b>TOTAL REVENUE</b>	<b>10,422.0</b>	<b>10,086.4</b>	<b>12,599.7</b>	<b>10,575.5</b>	<b>12,251.8</b>	<b>(347.9)</b>	<b>-3.4%</b>	<b>12,302.7</b>	<b>12,288.6</b>
<b>TOTAL NET EXPENDITURES</b>	<b>10,934.9</b>	<b>10,663.1</b>	<b>11,307.1</b>	<b>9,942.6</b>	<b>9,852.2</b>	<b>(1,454.9)</b>	<b>-5.2%</b>	<b>9,995.8</b>	<b>10,173.0</b>
<b>APPROVED POSITIONS</b>	<b>209.1</b>	<b>193.1</b>	<b>229.1</b>	<b>208.1</b>	<b>208.1</b>	<b>(21.0)</b>	<b>-9.2%</b>	<b>208.1</b>	<b>208.1</b>

#### 2012 Key Cost Drivers

- The 2012 recommended expenses are lower from 2011 by \$1.803 million as a result of reduction in discretionary expenditures resulting from in-depth review and reduction of 21 positions from 2011 approved complement. The following highlights the main variances:
- The 2012 recommended expenses for salaries and benefits result in a decrease of \$1.293 million or 6.5% compared to 2011.

- In 2012, PPFA will delete 21 positions, thus lowering its salaries and benefits budget by approximately \$1.293 million.
- This reduction of positions assisted PPFA in offsetting pressures such as progression pay for non- union positions of \$0.142 million, step increases for unionized staff of \$0.093 million and additional working day in 2012 totalling \$0.081 million.
- The 2012 recommended expenses for services and rents reflect a decrease of \$0.213 million to better reflect actual spending.
- The 2012 Recommended Operating Budget for interdivisional recoveries is \$0.348 million or 3.4% lower than the 2011 Approved Operating Budget, due to anticipated savings resulting from position changes.
- Other key cost drivers that reflect multi- year cost element changes are:
  - Prior Year Impacts: Additional one working day in 2012 results in salary and benefits costs increase of \$0.081 million.
  - Economic Factors: Progression pay and step increases account for additional pressure of \$0.235 million for PPF&A.
  - Other Base Changes: Staffing cost adjustments to better reflect actual payroll costs and non- staffing cost adjustments to better reflect actuals result in savings of \$0.256 million.
  - Base Revenue Changes: Recoveries from Solid Waste Management for providing financial and administrative support and from Technical Services for Major Capital Infrastructure Coordination Unit account for \$0.069 million.
- The 2012 recommended decreases to 2011 approved staff complement of 229.1 total 21 positions due to efficiency changes. This decrease results in 208.1 positions for 2012 Recommended Operating Budget.

## Toronto Environment Office (TEO)

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	2,252.0	2,606.6	2,678.8	2,518.8	2,167.2	(511.6)	-19.1%	2,181.9	2,211.2
Materials and Supplies	155.4	154.4	172.6	172.6	99.7	(72.9)	-42.2%	97.7	97.7
Equipment	25.5	18.2	2.0	2.0	2.0	0.0	0.0%	2.0	2.0
Services & Rents	1,701.7	2,971.3	3,425.3	3,425.3	1,382.9	(2,042.4)	-59.6%	570.9	570.9
Contributions to Capital	12.2	13.7	14.2	14.2		(14.2)	-100.0%	14.2	14.2
Contributions to Reserve/Res Funds	2,531.6	4,094.1	5,188.0	5,188.0	1,572.0	(3,616.0)	-69.7%	76.0	76.0
Other Expenditures					14.2	14.2	n/a		
Interdivisional Charges	188.9	163.1	48.1	48.1	46.3	(1.8)	-3.7%	49.0	49.0
<b>TOTAL GROSS EXPENDITURES</b>	<b>6,867.3</b>	<b>10,021.4</b>	<b>11,529.0</b>	<b>11,369.0</b>	<b>5,284.3</b>	<b>(6,244.7)</b>	<b>-62.3%</b>	<b>2,991.7</b>	<b>3,021.0</b>
Interdivisional Recoveries									
Provincial Subsidies	122.6	132.9	328.0	328.0	185.2	(142.8)	-43.5%	223.0	223.0
Federal Subsidies									
Other Subsidies									
User Fees & Donations	25.6	213.6	432.0	432.0	382.0	(50.0)	-11.6%	72.0	72.0
Transfers from Capital Fund									
Contribution from Reserve Funds	3,383.1	6,337.5	7,544.8	7,544.8	2,021.5	(5,523.3)	-73.2%		
Contribution from Reserve									
Sundry Revenues	0.0	0.0	10.0	10.0	35.0	25.0	n/a	10.0	10.0
<b>TOTAL REVENUE</b>	<b>3,531.3</b>	<b>6,684.0</b>	<b>8,314.8</b>	<b>8,314.8</b>	<b>2,623.7</b>	<b>(5,691.1)</b>	<b>-85.1%</b>	<b>305.0</b>	<b>305.0</b>
<b>TOTAL NET EXPENDITURES</b>	<b>3,336.0</b>	<b>3,337.4</b>	<b>3,214.2</b>	<b>3,054.2</b>	<b>2,660.7</b>	<b>(553.6)</b>	<b>22.8%</b>	<b>2,686.7</b>	<b>2,716.0</b>
<b>APPROVED POSITIONS</b>	<b>24.0</b>	<b>24.0</b>	<b>26.6</b>	<b>23.0</b>	<b>20.6</b>	<b>(6.0)</b>	<b>-22.6%</b>	<b>19.6</b>	<b>19.6</b>

- The 2012 recommended expenses are lower from 2011 by \$6.225 million or 62.3% and revenue is lower by \$5.691 million or 85.1% as a result of base budget adjustments to reflect declining activity in the Climate Change Action Plan and the termination of HEAT Program.
- The 2012 recommended expenses for salaries and benefits decrease by \$0.512 million or 19.1% compared to 2011.
  - The 2012 Recommended Base Budget provides funding for progression pay and step increases of \$0.046 million and for one additional working day of \$0.010 million.
  - These costs are off- set by savings of \$0.481 million resulting from a reduction of 6 positions.

- Declining contributions from the Strategic Infrastructure Partnership Reserve Fund affect multiple expense categories. In 2012, contributions from Strategic Reserve Fund decline by \$5.523 million or 73.2% due to declining of Climate Change Action Plan and termination of HEAT Program resulting in decreases to multiple cost element groups.
- Other key cost drivers that reflect multi- year cost element changes are:
  - Other Base Changes: Staffing cost adjustments to better reflect actual payroll costs, non- staffing cost adjustments to better reflect actuals and adjustments to reflect declining of some initiatives within Climate Change Action Plan and termination of HEAT Program result in savings of \$0.056 million net.

## Appendix 3

### Summary of 2012 Recommended Service Changes

## Appendix 5

## Inflows/Outflows to/from Reserves &amp; Reserve Funds

## Corporate Reserve / Reserve Funds

## Toronto Environment Office (TEO)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2011 *	Proposed Withdrawals (-) / Contributions (+)		
			2012	2013	2014
			\$	\$	\$
Insurance Reserve Fund	XR1010	40,714.1	14.2		
Strategic Infrastructure Partnership RF	XR1718	172,882.7			
Live Green - Marketing			(250.0)		
Live Green - Community Investment Fund			(1,200.0)		
Live Green - Festivals & Events			(110.0)		
Live Green - Local Food Issues			(25.0)		
Local Air Quality			(40.0)		
Eco Roof			(196.5)		
Climate Change Adaptation - Risk Assessment			(50.0)		
Climate Change Adaptation - Research			(150.0)		
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			<b>(2,007.3)</b>		

\* Based on 3rd Quarter Variance Report