



City Budget 2012

Long-Term Care Homes Services 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. | 224,250.5 | 217,900.0 | 224,765.3 | - | 224,765.3 | 514.8 | 0.2 | 5,464.3 | 1,916.7 |
| REVENUE | 177,469.5 | 173,219.0 | 179,485.3 | - | 179,485.3 | 2,015.8 | 1.1 | 2,358.6 | 1,500.0 |
| NET EXP. | 46,781.0 | 44,681.0 | 45,280.0 | - | 45,280.0 | (1,501.0) | (3.2) | 3,105.7 | 416.7 |
| Approved Positions | 2,188.4 | 2,178.3 | 2,153.4 | - | 2,153.4 | (35.0) | (1.6) | 35.0 | - |

| Target Comparison | 10% Reduction Target | 2012 Rec.'d Reduction | 2012 10% Reduction vs. 2012 Rec'd Reduction | Target % |
|-------------------|----------------------|-----------------------|---|----------|
| 2012 Reductions | (4,636.7) | (4,639.7) | 3.0 | 10.0% |

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2012 Recommended Operating Budget for Long-Term Care Homes & Services of \$224.765 million gross and \$45.280 million net, comprised of the following services:

| <u>Service(s)</u> | <u>Gross (\$000s)</u> | <u>Net (\$000s)</u> |
|-----------------------------|-------------------------|------------------------|
| Divisional Homes | 1,150.8 | 0 |
| Toronto Homes | 212,154.3 | 43,970.7 |
| Community-Based Services | <u>11,460.2</u> | <u>1,309.3</u> |
| Total Program Budget | <u>224,765.3</u> | <u>45,280.0</u> |

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

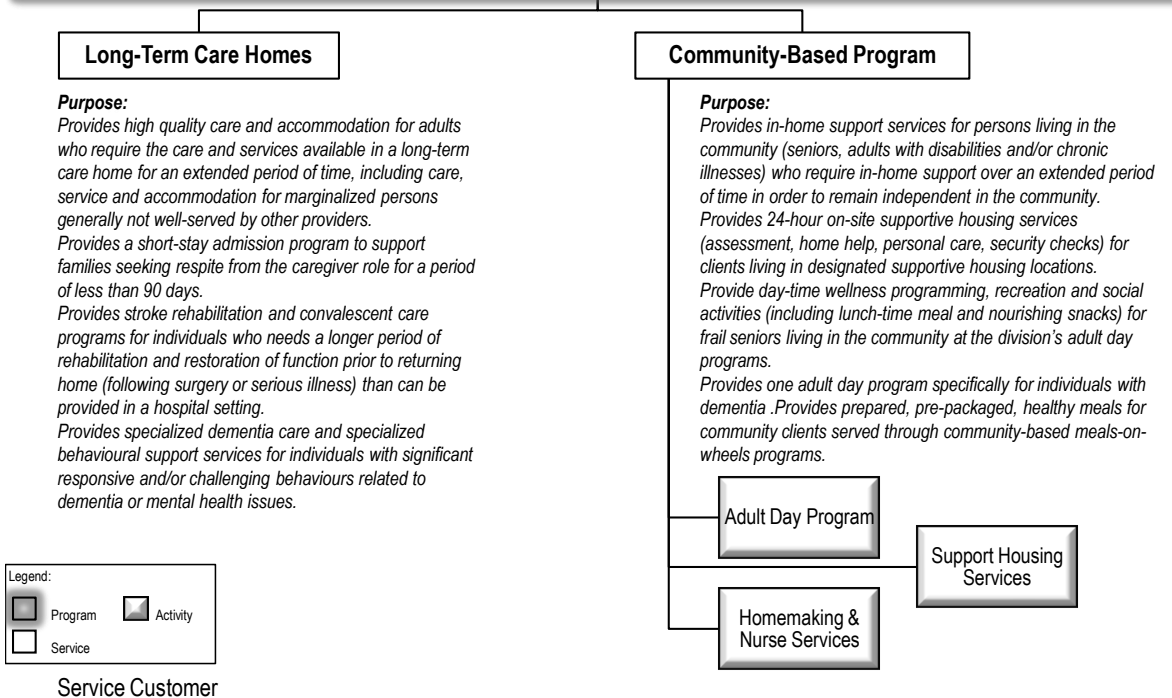
PART II: 2012 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles

Long-Term Care Homes & Services

The Long-Term Care Homes and Services Program provides a variety of long-term healthcare services for residents living in the City's long-term care homes and for clients with long-term healthcare needs and/or functional limitations who still live in the community. Community clients may live in their own homes and receive in-home support services, attend an adult day program in one of the long-term care homes or live in designated apartment buildings in which the division provides supportive housing services. The division provides individualized client-centred care, care that respects, supports and enables people to be as independent as possible. The scope of services provided includes: 10 long-term care homes, providing permanent and short-stay admissions for people with a range of medical and healthcare needs, convalescent care, specialized stroke rehabilitation and specialized dementia care; Community support programs, such as adult day programs and meals-on-wheels; Supportive housing services in a number of contracted sites; Homemaking services to qualified clients in their own homes.

The division responds to the changing needs of Toronto's diverse communities. We are committed to providing high quality care (based on current healthcare research) in safe, homelike environments. We are client-centred and accountable for performance. We use stakeholder feedback to make quality improvements. We work collaboratively with other providers and the community, in an attempt to achieve an effective continuum of care for the people we serve.



Long Term Care Homes

- Residents (Seniors and adults with disabilities and/or chronic illnesses)
- Persons recovering from surgery or serious illness
- Persons requiring respite
- Family members and partners
- Family caregivers (short stay)
- Staff and volunteers
- Health system partners
- Community partners
- Community Care Access Centres
- Local Health Integration Networks
- Ministry of Health and Long-Term Care

Community Based Program

- Frail seniors
- Adults with disabilities
- Adults with chronic illnesses and/or functional limitations over the age of 59 years of age
- Family members and partners
- Community Care Access Centres
- Community agencies
- Housing providers, including Toronto Community Housing
- Toronto Public Health
- Healthcare partners
- Local Health Integration Networks
- Ministry of Health and Long-Term Care
- Contracted service providers

2012 Recommended Service Levels

There are no proposed changes to the 2011 Current Service Levels for 2012.

| Service | Activity | Type | 2011 Proposed Service Level | 2012 Proposed Service Level |
|--------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|
| Long-Term Care Homes | | Resident Care - Long Stay | 97% Occupancy | 97% Occupancy |
| | | Resident Care - Short Stay | 50% Occupancy | 50% Occupancy |
| | | Convalescent Care | 80% Occupancy | 80% Occupancy |
| | | Behavioural Support Care | 97% Occupancy | 97% Occupancy |
| Community Based Programs | Adult Day Program | Adult Day Services | Mon-Fri, 52 weeks/year | Mon-Fri, 52 weeks/year |
| | Supportive Housing Services | Personal Care and Homemaking | 24 hours/day, 365 days/year | 24 hours/day, 365 days/year |
| | Homemakers & Nurses Services | Homemaking | Mon-Fri, 52 weeks/year | Mon-Fri, 52 weeks/year |

2012 Service Deliverables

The 2012 Recommended Operating Budget of \$45.280 million will allow Long-Term Care Homes & Services to continue to provide exemplary long term care services to residents and clients, and to actively participate in the creation of an effective continuum of care through strong partnerships with other health care organizations and community partners. The 2012 Recommended Operating Budget will:

- Continue the delivery of long-term care services including resident and convalescent care offered at 10 long-term care homes and provide support to over 2,500 residents;
- Continue to provide over 12,500 client days of care under the Adult Day Program. The Adult Day Program provides daytime recreation, social and wellness programming for frail seniors;
- Continue to provide Supportive Housing services to 450 clients;
- Continue to provide the Meals on Wheels Program that will deliver over 2,400 meals per week; and
- Continue to provide 115,000 client visits under the Homemakers and Nurses Services to support the Aging at Home strategy and provide housekeeping, laundry and meal preparation assistance.

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. | 224,250.5 | 224,765.3 | 514.8 | 0.2 | 5,464.3 | 1,916.7 |
| REVENUE | 177,469.5 | 179,485.3 | 2,015.8 | 1.1 | 2,358.6 | 1,500.0 |
| NET EXP. | 46,781.0 | 45,280.0 | (1,501.0) | (3.2) | 3,105.7 | 416.7 |
| Approved Positions | 2,188.4 | 2,153.4 | (35.0) | (1.6) | 35.0 | - |

| Target Comparison | 10% Reduction Target | 2012 Rec.'d Reduction | 2012 1Rec'd Reduction vs. 2012 10% Reduction Target | Target % |
|------------------------|----------------------------|--------------------------|---|--------------|
| 2012 Reductions | (4,636.7) | (4,639.7) | 3.0 | 10.0% |

2012 Recommended Base Budget

- The 2012 Recommended Base Budget for Long-Term Care Homes & Services (LTCHS) of \$224.765 million gross and \$45.280 million net represents a \$1.501 million or 3.2% decrease compared to the 2011 Operating Budget of \$46.781 million, mainly due to an increase in subsidies provided by the Province.
- The 2012 Recommended Base Budget of \$45.280 million net includes Program budget reductions of \$4.640 million net, which is \$0.003 million in Program reductions above LTCHS' 2012 reduction target of \$4.637 million net or 10.0% of the 2011 Operating Net Budget.
- Recommended service changes of \$4.640 million include base budget savings of \$0.735 million net, base revenue increases of \$2.874 million net, and savings from efficiencies of \$1.031 million net.

- The 2012 Recommended Base Budget will result in LTCHS reducing its total staff complement by 35.0 positions from the 2011 Approved Budget approved positions of 2,153.4 as shown in the chart below:

2012 Recommended Staff Complement – Base Budget Summary

| Changes | Staff Complement |
|--|------------------|
| 2011 Approved Positions | |
| - 2011 In-year Adjustments | |
| 2011 Approved Staff Complement | 2,188.4 |
| 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 | 2,153.4 |

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 | | | | | | | | |
| Kipling Acres Temporary Downsizing | | (500.0) | (250.0) | (0.5%) | (550.0) | (45.0) | | |
| Reduction to Reflect Actual Experience | | (200.0) | (200.0) | (0.4%) | | | | |
| Base Expenditure Changes | | (700.0) | (450.0) | (1.0%) | (550.0) | (45.0) | | |
| Base Revenue Changes | | | | | | | | |
| Increase in User Fees & Other Revenues | | | (104.4) | (0.2%) | | | | |
| Provincial Subsidy Increase | | | (2,770.0) | (6.0%) | | | | |
| Base Revenue Changes | | | (2,874.4) | (6.2%) | | | | |
| Sub-Total Base Budget Changes | | (700.0) | (3,324.4) | (7.2%) | (550.0) | (45.0) | | |
| Service Efficiencies | | | | | | | | |
| Process Improvements | (8.3) | (284.5) | (284.5) | (0.6%) | | | | |
| Service Efficiencies | (26.7) | (2,027.4) | (1,030.8) | (2.2%) | | | | |
| Sub-Total Service Efficiencies | (35.0) | (2,311.9) | (1,315.3) | (2.8%) | | | | |
| Revenue Adjustments: | | | | | | | | |
| Sub-Total Revenue Adjustments | | | | | | | | |
| Minor Service Impact: | | | | | | | | |
| Sub-Total Minor Service Impacts | | | | | | | | |
| Major Service Impact: | | | | | | | | |
| Sub-Total Major Service Impacts | | | | | | | | |
| Total Service Changes | (35.0) | (3,011.9) | (4,639.7) | (10.0%) | (550.0) | (45.0) | | |

2012 Recommended Service Changes

- The 2012 service changes consist of base budget changes, base revenue changes, and service efficiencies that total \$4.640 million net. These changes will not impact 2011 approved service levels provided by Long-Term Care Homes & Services.

Base Expenditure Changes *(savings of \$0.700 million gross and \$0.450 million net)*

Kipling Acres Temporary Downsizing

- As a result of the redevelopment of Kipling Acres, there will be a period in 2012 and 2013 during which a number of beds will be reduced resulting in net operating cost savings of \$0.100 million in 2012 and \$0.800 million in 2013. These savings are one-time and will be reversed in 2015 with the completion of the construction of the 145-bed Kipling Acres' capital project. LTCHS will also receive Occupancy Reduction Program funding of \$0.150 million from the Ministry of Health and Long-Term Care related to the Kipling Acres temporary downsizing.

Reduction to Reflect Actual Experience

- A review of detailed expenditures concludes that \$0.200 million from the Bedding and IT expense budgets can be reduced to reflect actual historical experience.

Base Revenue Changes *(additional revenues of \$0 gross and \$2.874 million net)*

Increase in User Fees & Other Revenues

- The increase in User fees and other revenues are primarily from user fee volume increases for private room and semi-private room user fees totalling \$0.146 million that is partially offset by reduction of \$0.042 million in personal clothing services, meals, and rental fees for the Child Care Centre at Kipling Acres.

Provincial Subsidy Increase

- The Province has confirmed an ongoing subsidy increase for LTCHS, resulting in an \$2.770 million net increase in Provincial revenues.

Service Efficiencies *(savings of \$2.312 gross and \$1.315 million net)*

Process Improvements

- LTCHS has identified \$0.285 million of service efficiency savings through process improvements that can be realized from a reduction of 8.2 positions at the homes, of which 2 are vacant, without impacting service levels. The reduction reflects actual requirements at the homes. LTCHS has reviewed its overall complement, and has determined that 8.2 positions can be deleted without impacting service levels.

| Position | Home/Program | Vacant or Filled Positions | Full-Time (FT) Part-Time (PT) | Positions | Net Impact \$'000s |
|----------------------------|--------------------|----------------------------|----------------------------------|--------------|-----------------------|
| Counsellor | Supportive Housing | Vacant | FT | (2.0) | - |
| Registered Practical Nurse | Supportive Housing | Filled | PT | (2.2) | - |
| Nutrition Manager | Regional | Filled | PT | (0.9) | (92.2) |
| Cleaner Heavy Duty | Cummer Lodge | Filled | PT | (1.0) | (62.8) |
| Food Services Worker | Cummer Lodge | Filled | PT | (1.9) | (115.9) |
| Other | Various | Filled | Various | (0.2) | (13.6) |
| TOTAL | | | | (8.2) | (284.5) |

Service Efficiencies

- The reduction of 26.7 positions effective January 2012 arising from recommended service efficiencies will result in savings of \$1.031 million net savings in 2012. Please refer to Confidential Attachment 1.

2013 and 2014 Outlook:

- Approval of the 2012 Base Budget for Long-Term Care Homes & Services will result in incremental costs of \$3.106 million in 2013 and \$0.417 million in 2014 to maintain the 2012 level of service, and to account for the operating impacts of capital projects. Future year costs are primarily attributable to the following:
 - For 2013, the net incremental expenditures are projected to be \$3.106 million. The 2013 Outlook includes increases such as the OMERS 0.9% premium rate increase, progression, step and fringe benefit increases totalling \$3.326 million, and increases of \$0.639 million due to increases for food and other contracts. A reduction of \$0.097 million net is also included for reversal of expenditures primarily for salaries and benefits due to one less working day in 2013 compared to 2012. As a result of the Kipling Acres Development project, a number of beds will be reduced in 2013 resulting in incremental cost savings of \$0.550 million. These savings are one-time and will be reversed in 2015 upon completion of the 145-bed Kipling Acres Redevelopment project.
 - For 2014, the net incremental expenditures are projected to be \$0.417 million, due to progression, step and fringe increases.
- There are no COLA increases in 2013 and 2014 since the Collective Agreement expires on December 31, 2011.
- The 2013 and 2014 Outlooks include an increase in expenditures of \$1.500 million each year for acuity expenditures, which are offset by an increase in revenues from Provincial subsidies.

Part V: ISSUES FOR DISCUSSION

2012 and Future Year Issues

2012 Issues

Core Service Review

On September 26, 27, 2011 City Council adopted a report from the City Manager with his recommendations that addressed the results of the detailed Core Service review conducted by KPMG. Council approved specific recommendations regarding LTCHS and service levels; namely:

- *Refer the following KPMG opportunities to the City Manager for inclusion in broader service, organizational studies to be reported to Standing Committees and Council as required:*
 1. 8f – Terminate community based programs or transfer day programs to a community agency
 2. 8g – Transfer most municipally operated LTC homes to operation by non-profit community organizations which could reduce costs and transfer net costs to the province over time
 3. 8h – Sale of municipally operated LTC homes to private sector operators would reduce city costs more quickly and may provide some recovery of investment in buildings

Status: These proposals will be referred as part of the 2013 Budget Process

4. 8i – Re-engineer the operations to achieve specified target cost reductions

Status:

LTCHS has undertaken several processes to achieve a 10% cost reduction for the 2012 Recommended Operating Budget

Provincial Funding Uncertainty

- As the provider of a wide range of services to a diverse clientele, LTCHS is faced with several challenges in delivering services, as both the funding model and organizational structure at the Province are evolving.
- On July 1st, 2010, The Long-Term Care Homes Act, 2007 and Regulation 79/10 (LTCH Act) was proclaimed into law, and placed new financial pressures on long-term care homes as the Act introduces revised care, staffing, and operating standards without providing corresponding funding increases.
- The new LTCH Act requirements make it difficult for the Program to reduce service levels as the new standards are much higher than the former 2010 standards.

- The long-term care homes sector requires a commitment to multi-year, sustainable funding from the Ministry of Health and Long-Term Care (MOHLTC). Currently, the funding is variable and based on a complex formula that fluctuates from year-to-year, which requires the Program to aggressively pursue all available grants, subsidies and revenues wherever possible. As part of the 2012 Recommended Operating Budget, Long-Term Care will be receiving an addition \$2.770 million of addition funding from the Ministry.
- Without additional revenue from the Province, LTCHS could not have achieved their target cost reduction. Future targets cannot be achieved solely through cost savings but requires Provincial assistance. Closing homes is not achievable in the short term and contracting out services requires years of negotiations with the Local Health Integration Networks (LHINs).

Rise in Resident Acuity

- The complexity and acuity of care in long-term care homes is rising dramatically. These increases provide significant insight into the changing face of Long-Term Care Homes & Services. The increased complexity and acuity of care results in the need for skill and competency training for staff at all levels of the organization. Increased emphasis on admissions of individuals with dementia, mental illness, and associated responsive behaviours requires mental health education for all staff.
- As acuity levels rise, so does the need for further Provincial funding needed to provide necessary services and care.

Address Collective Agreement Impediments

- Average wages for LTCHS staff are significantly higher than the average salaries in Ontario's long-term care system. Pay equity costs are also higher for Toronto Long-Term Care Homes as compared to many other long-term care homes. The current collective agreement requires that Long-Term Care employees be paid for 8-hour shifts. This is unlike the health care sector generally, where 7.5 hours are the norm. The ½ hour shift overlap allows nurses to provide updated information to subsequent shifts.
- The current collective agreement prevents the Program from implementing potentially significant savings through the reduction of 8 hour shifts to 7.5 hours. Currently, shifts overlap by ½ hour and reductions to 37.5 hours/week would result in savings, estimated to be in the range of \$3.3 million.

Appendix 1

2011 Performance

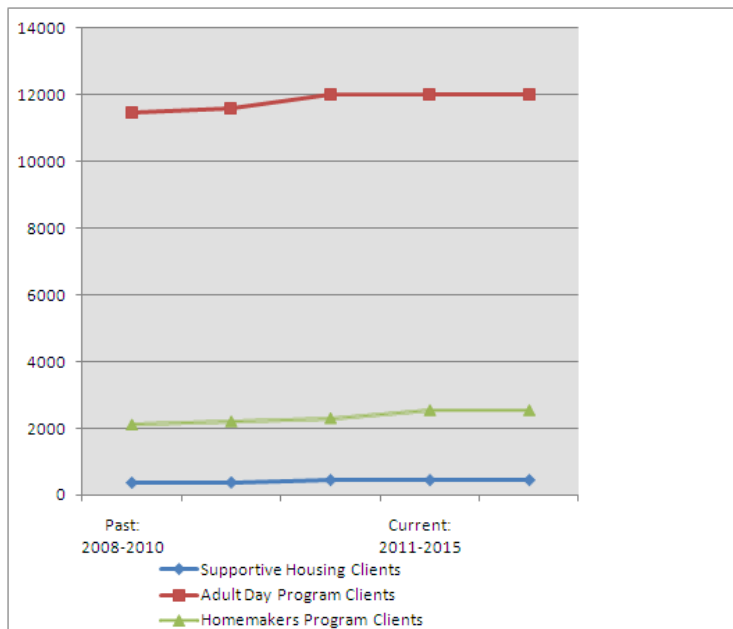
2011 Key Accomplishments:

In 2011, LTCHS achieved the following results:

- Continued to achieve excellence in integrated quality management and clinical areas for enhanced care and services based on best practices, leadership in falls prevention strategy, medication and pain management, and rehabilitation;
- Embedded a continuous safety culture in daily work and developed environments in all ten homes to respond to the care, comfort and safety needs of residents with higher acuity and dementia;
- Received approval of additional funding from Central Local Health Integration Network (LHIN) to provide specialized dementia care for up to eight (8) individuals with significant responsive behaviour at Cummer Lodge.
- Continued to influence public policy on aging and long-term care issues by providing input into the Regulations for the Long-Term Care Act, promoting age-friendly communities, and leading the City of Toronto – 5 Local Health Integration Networks Collaborative Table;
- Expanded services in dementia care, behavioural response care, and mental health by working with other providers and alleviating alternative level of care pressures in hospitals; and
- Realized a resident/client satisfaction rate of over 98%.

2011 Performance

Number of Clients Participating in Various LTCHS Programs



- Number of Homemakers Program Clients has steadily been increasing from 2,100 clients in 2008. By 2011, LTCHS targets serving 2,550 clients.
- Supportive Housing Clients have been increasing from 372 clients in 2008. LTCHS is targeting 450 in 2011.
- The number of clients participating in the Adult Day Program has been increasing from 11,466 in 2008. LTCHS is targeting 12,000 in 2011.

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. | 211,356.7 | 346,794.1 | 223,829.8 | 217,900.0 | (5,929.8) | (2.6) |
| REVENUES | 166,313.0 | 167,239.8 | 177,462.8 | 173,219.0 | (4,243.8) | (2.4) |
| NET EXP. | 45,043.7 | 179,554.4 | 46,367.0 | 44,681.0 | (1,686.0) | (3.6) |
| Approved Positions | 2,218.2 | 2,182.9 | 2,188.3 | 2,178.3 | (10.0) | (0.5) |

* Based on the Third Quarter Operating Budget Variance Report.

2011 Experience

- The projected year-end net favourable variance for LTCHS is anticipated to be \$1.686 million or 3.6% under the 2012 Approved Operating Budget of \$46.367 million. LTCHS is anticipating a favourable year-end net variance of \$1.686 million as a result of savings generated through the attrition management process and a favourable adjustment related to Provincial claims from 2008.
- LTCHS is projecting a reduction in expenditures in the homes and community program for high intensity needs and supportive housing. These expenditures are 100 percent subsidized by the Province when they are required by individual residents or clients. This decrease in expenditures is matched by a corresponding decrease in revenues from the Province

Impact of 2011 Operating Variance on the 2012 Recommended Budget

- There are no anticipated impacts of the projected 2011 Operating Variance on the 2012 Recommended Budget.

Appendix 2

2012 Recommended Operating Budget by Expenditure Category
and Key Cost DriversProgram 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 | 174,306.0 | 176,535.0 | 183,653.3 | 177,302.9 | 183,521.7 | (131.6) | (0.1%) | 188,347.5 | 190,264.2 |
| Materials and Supplies | 17,900.9 | 17,732.9 | 18,882.8 | 18,882.8 | 18,771.9 | (110.9) | (0.6%) | 18,925.9 | 18,925.9 |
| Equipment | 1,453.9 | 1,376.3 | 2,417.7 | 2,417.7 | 2,459.9 | 42.2 | 1.7% | 2,459.9 | 2,459.9 |
| Services & Rents | 15,580.1 | 14,907.2 | 16,609.0 | 16,609.0 | 17,314.9 | 705.9 | 4.3% | 17,799.4 | 17,799.4 |
| Contributions to Capital | | | | | | | | | |
| Contributions to Reserve/Res Funds | 1,730.3 | 1,740.2 | 1,791.6 | 1,791.6 | 1,791.6 | 0.0 | 0.0% | 1,791.6 | 1,791.6 |
| Other Expenditures | 35.2 | 88.2 | 129.5 | 129.5 | 129.5 | - | 0.0% | 129.5 | 129.5 |
| Interdivisional Charges | 350.3 | 314.3 | 766.6 | 766.6 | 775.8 | 9.2 | 1.2% | 775.8 | 775.8 |
| TOTAL GROSS EXPENDITURES | 211,356.7 | 212,694.1 | 224,250.4 | 217,900.1 | 224,765.3 | 514.9 | 0.2% | 230,229.6 | 232,146.3 |
| Interdivisional Recoveries | 151.3 | 169.5 | 174.4 | 174.4 | 127.9 | (46.5) | (26.7%) | 127.9 | 127.9 |
| Provincial Subsidies | 117,309.8 | 118,568.6 | 128,378.8 | 124,128.3 | 130,316.2 | 1,937.4 | 1.5% | 132,674.8 | 134,174.8 |
| Federal Subsidies | | | | | | | | | |
| Other Subsidies | 248.6 | 100.7 | | | | | | | |
| User Fees & Donations | 47,491.9 | 48,111.6 | 48,524.3 | 48,524.3 | 48,631.2 | 106.9 | 0.2% | 48,631.2 | 48,631.2 |
| Transfers from Capital Fund | | | 260.0 | 260.0 | 260.0 | - | 0.0% | 260.0 | 260.0 |
| Contribution from Reserve Funds | 151.8 | | | | | | | | |
| Contribution from Reserve | | | | | | | | | |
| Sundry Revenues | 959.6 | 289.4 | 132.0 | 132.0 | 150.0 | 18.0 | 13.6% | 150.0 | 150.0 |
| TOTAL REVENUE | 166,313.0 | 167,239.8 | 177,469.5 | 173,219.0 | 179,485.3 | 2,015.8 | 1.2% | 181,843.9 | 183,343.9 |
| TOTAL NET EXPENDITURES | 45,043.7 | 45,454.4 | 46,781.0 | 44,681.1 | 45,280.0 | (1,501.0) | (1.0%) | 48,385.7 | 48,802.4 |
| APPROVED POSITIONS | 2,218.2 | 2,182.9 | 2,188.3 | 2,178.3 | 2,153.4 | (34.9) | (1.6%) | 2,153.4 | 2,153.4 |

2012 Key Cost Drivers

- Recommended adjustments to expenditures and revenues by category in 2012 total \$1.501 million and reflect recommended service changes. The following highlights the main variances:
 - *Salaries and Benefits* are the largest expenditure category and account for 82% of the total expenditures, followed by Materials and Supplies at 8%, and Services and Rents at 8%.
 - The 2012 budget for Salaries and Benefits of \$183.522 million is \$0.132 million or 0.1% lower than the 2011 Approved Operating Budget, as it arises from cost savings from recommended service efficiencies, operational efficiencies, and restructuring and realignment of services.
 - LTCHS is projected to be under spent in this category for 2011, due to lower than budgeted claims for high intensity needs and supportive housing expenditures. These expenditures are 100% subsidized by the Province and is reflected by a corresponding decrease in Provincial subsidies.
- The 2012 budget for *Materials & Supplies* is \$0.111 million or 0.6% lower than the 2011 budget. This is mainly attributable to decreases as a result of reductions based on actual historical expenditures.
- The 2012 budget for *Services and Rents* is \$0.705 million or 4.3% higher than the 2011 budget. This is mainly attributable to budgeted increases for raw food, contracted services for landscaping, electrical, heat and A/C, and plumbing work, and repairs and maintenance.
- The key cost drivers are offset by increases in:
 - Provincial subsidies net increase of \$1.937 million.

Appendix 3
Summary of 2012 Recommended Service Changes