



City Budget
2013

City Manager's Office
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 the City.

2013 Operating Budget

2013 OPERATING BUDGET ANALYST BRIEFING NOTES

BUDGET COMMITTEE, NOVEMBER 29, 2012

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PART I: RECOMMENDATIONS

2013 Recommended Operating Budget
(In \$000s)

(In \$000s)	2012		2013 Recommended Operating Budget			Change - 2013 Recommended		FY Incremental Outlook	
	Approved Budget	Projected Actual	2013 Rec. Base	2013 Rec. New/Enhanced	2013 Rec. Budget	Operating Budget v. 2012 Appvd. Budget		2014	2015
	\$	\$	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	48,686.1	47,429.9	49,433.5	952.6	50,386.1	1,700.0	3.5%	538.3	241.3
REVENUE	8,098.1	7,355.0	8,845.5		8,845.5	747.4	9.2%		
NET EXP.	40,588.0	40,074.9	40,588.0	952.6	41,540.6	952.6	2.3%	538.3	241.3
Approved Positions	422.3	348.3	426.5	9.0	435.5	13.2	3.1%	1.0	

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

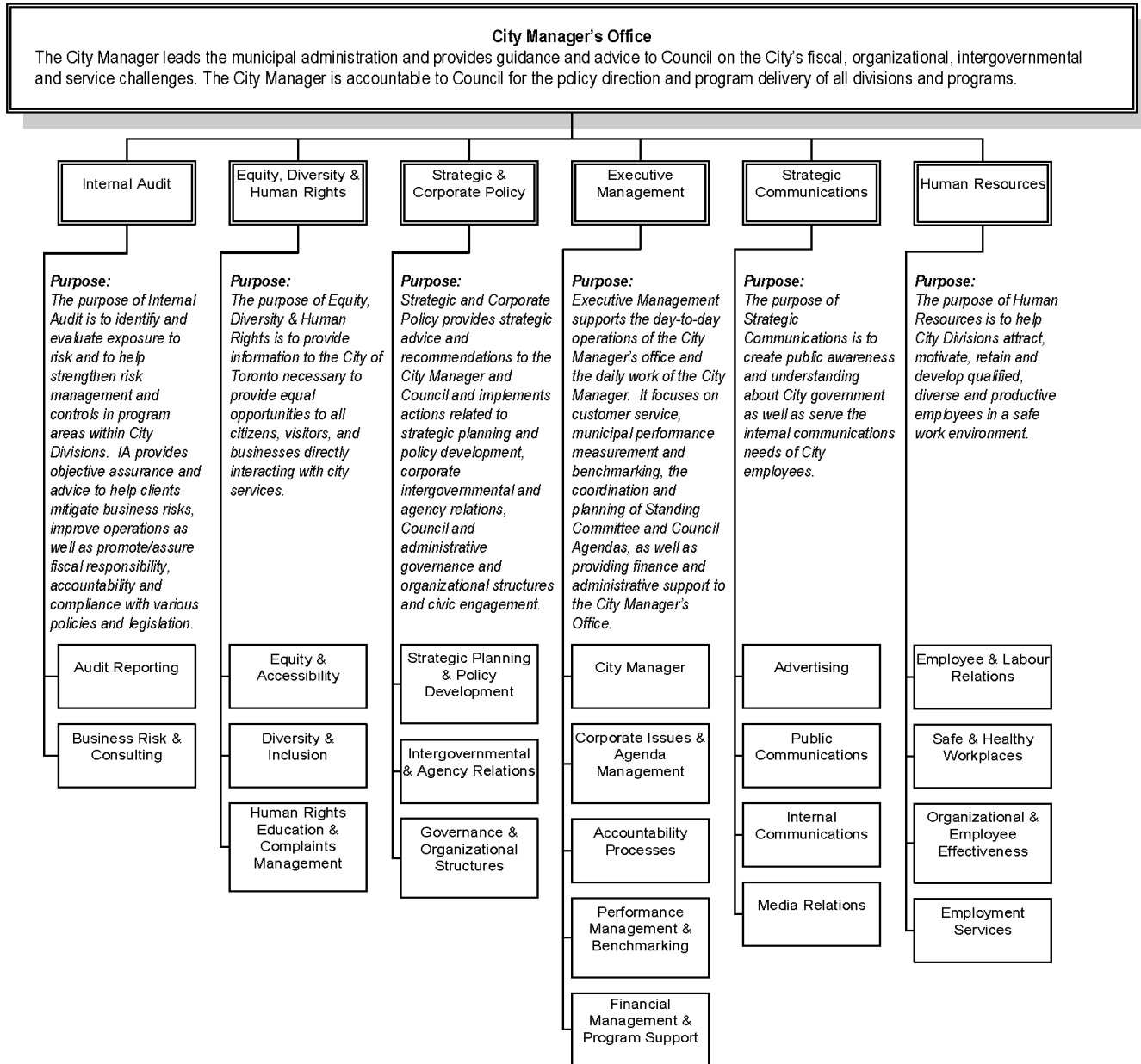
1. City Council approve the 2013 Recommended Operating Budget for the City Manager's Office of \$50.386 million gross and \$41.541 million net, comprised of the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Executive Management	3,205.1	2,281.9
Strategic & Corporate Policy	3,753.0	3,487.3
Internal Audit Services	1,069.1	500.2
Strategic Communications	5,720.0	4,192.3
Human Resources	35,197.4	29,639.8
Equity, Diversity and Human Rights	1,441.6	1,439.1
Total Program Budget	<u>50,386.1</u>	<u>41,540.6</u>

2. The City Manager's Office services and 2013 proposed service levels, as outlined on pages 4 to 7, and associated staff complement of 435.5 positions be approved.

PART II: 2013 SERVICE OVERVIEW AND PLAN

Program Map and Service Profiles



Service Customer

Equity, Diversity & Human Rights

- City Council

Strategic & Corporate Policy

- City Divisions
- Council & Mayor
- Deputy City Managers
- Public
- Other orders of government

Internal Audit

- City Divisions

Executive Management

- City Divisions
- Council & Mayor
- Deputy City Managers
- Public
- Other orders of government

Strategic Communications

- Public
- City Divisions
- Media

Human Resources

- Toronto Public Service
- City Divisions
- Unions & Associations
- Members of the public interested in opportunities in the Toronto Public Service

2013 Recommended Service Levels

The 2013 proposed service levels for City Manager's activities are summarized in the table below:

Service Types and Service Levels

Service	Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels
Equity, Diversity & Human Rights	Diversity and Inclusion				To respond to requests received for advice/consultation within 24hrs 90% of the time. To meet request satisfactorily within 48 hours 85% of the time (depending on the nature of the topic). Ensure City divisions are meeting compliance timelines 95% of the time
	Equity & Accessibility	Accessibility plan			To respond to requests received for advice/consultation within 24hrs 90% of the time. To meet request satisfactorily within 48 hours 85% of the time (depending on the nature of the topic)
		Equity Plan			To increase response rate to Count Yourself In Workforce survey to over 50%
	Human Rights Education & Complaints Management				To ensure that less than 1-2% of the total cases resolved get escalated to the Human Rights Tribunal of Ontario (OHRT). To ensure 95% of the cases escalated to HRTO are dismissed without penalties to the City
Executive Management	Corporate Issues & Agenda Management			95% of issues responded to within 24 hours	95% of issues responded to within 24 hours
	Performance Management & Benchmarking	Performance Indicator Management		100% of indicators updated as per reporting frequency requirements	100% of indicators updated as per reporting frequency requirements
	City Manager				N/A
	Accountability Processes				100% of ombudsmans' recommendations implemented on time
Financial Management & Program Support				N/A	
Human Resources	Employee & Labour Relations	A Fair Wage Policy/Labour Trade Issue Managed	Grievances	To increase the number of constructions trade grievances resolved at the earliest stage from 85-90%	To maintain or increase the number of constructions trade grievances resolved at the earliest stage between 85-90%
			Policy Investigations	To respond to all complaints within 3 business days	To respond to all complaints within 3 business days
			Site Inspections	To respond to all complaints within 3 business days	To respond to all complaints within 3 business days
		Emergency Plan	Corporate HR Emergency Plan	To have the Continuity of Operation Plan updated on an annual basis	To have the Continuity of Operation Plan updated.

Service Types and Service Levels

Service	Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels
			Corporate Labour Disruption Plan	To have a corporate labour disruption plan operational in the event of a labour disruption	To have a corporate labour disruption plan operational in the event of a labour disruption
		Labour Relations	Grievances	To maintain at 45% or increase the percentage of grievances resolved at the earliest possible stage	To maintain at 45% or increase the percentage of grievances resolved at the earliest possible stage
			Negotiations	To achieve negotiated settlements with all bargaining agents	To effectively implement new collective agreement provisions through expert advice, training and interpretation
Employment Services				To maintain or increase the % of clients who are satisfied or very satisfied with the quality of Strategic Recruitment, Compensation and Employment Services Section advice from the 2011 service level of 62%.	To increase the % of clients who are satisfied or very satisfied with the quality of Strategic Recruitment, Compensation and Employment Services Section.
				To maintain or increase the % of clients who are confident in the services of the Assessment Centre from a baseline of 95%	To maintain at 95% or increase the percentage of clients confident in the services of the HR Assessment Centre for standardized testing
		Recruitment			To establish a baseline for average time to fill non-union vacancies To establish a baseline of client satisfaction with the hiring process, service and quality of hire, with a goal of maintaining or increasing in future years.
Organization & Employee Effectiveness				In 2010, there were a total of 12,313 participants: 7695 participants in Corporate Leadership & Learning Development (CLLD) courses; 1648 in CLLD funded intact team courses; 2970 in AODA Customer Service eLearning with an average satisfaction rating of 4 out of 5, 95% of the time.	To maintain delivery of a high volume of courses to more than 8,000 participants, including legislated compliance training such as Occupational Health & Safety, AODA (Accessibility for Ontarians with Disabilities Act) and Human Rights training. To maintain a quality assurance level of 4 out of 5 satisfaction rating in 95% of participants
		TPS People Plan	Report	2009-10 Annual report in preparation	A 2011-2012 Annual Report. An approved 2013-2015 TPS People Plan
			Participation	To increase the number of divisions developing People Plans by 3%	To maintain or increase the number of divisions developing People Plans
			Interventions	50-100 interventions per year (includes both corporate wide and divisional interventions)	To maintain or increase the number of interventions per year (includes both corporate wide and divisional interventions) from 50-100.

Service Types and Service Levels

Service	Activity	Type	Sub-Type	Approved 2012 Service Levels	Proposed 2013 Service Levels
	Safe & Healthy Workplaces			To decrease the number of workplace accidents by 6% in the period 2010 to 2012	To decrease the number of workplace accidents by 6% in the period 2013 to 2015
		Ministry of Labour Orders		To reduce or eliminate Ministry of Labour orders. Ensure all investigation processes stipulated under the H&S Act are adhered to	To reduce or eliminate Ministry of Labour orders. Ensure adherence to all investigation processes stipulated under the OH&S Act
		Workplace Safety & Insurance Board	Costs	WSIB costs in 2010 were \$2.54 million less than in 2009	To decrease WSIB costs by 6% in 2013.
		Safety	Training	To provide necessary training	55,000+ training hours in 2013
			Audits	19 Divisions audited in 2010. 100s of workplace inspections assisted	Maintain or increase % of audit recommendations implemented at 80% in 2013.
Internal Audit	Audit Reporting			Achieved a 4.2 out of 5 client satisfaction score in 2011 (to date)	Obtain an average score of 4 out of 5 in the client satisfaction surveys pertaining to all audit completed.
	Business & Risk Consulting			To complete operational division audits	To respond to requests received based on assessment of risk and available resources.
Strategic Communications	Advertising	By-Law Notices		By-law notices 15 days after has By-law passed	By-law notices placed 15 days after By-law has passed 100% of the time
		Statutory Advertisements		100% of statutory advertisements placed within required time	100% of statutory advertisements placed within required time
	Internal Communications	Daily City News Summary		Approximately 98% distribution of Daily City News Summary by 7:00 AM	City News Summary distributed electronically by 7:00 AM daily 98% of the time
		Monday morning news		Monday Morning News distributed by noon of first business day of every week	Monday Morning News sent electronically by 9 a.m. of first business day of every week 98% of the time
	Media Relations				Twitter followers 15,000. Review and distribute 400 media advisories and releases, handle 3000 media inquiries
	Public Communications			Budget represents 0.0101% of the Operating and Capital Budgets of the City Program supported	Our Toronto newsletter published three times yearly and delivered to 1 million households
Strategic Corporate Policy	Governance & Organizational Structures				
	Intergovernmental & Agency Relations				
	Strategic Planning & Policy Development				

2013 Service Deliverables

The 2013 Recommended Operating Budget of \$50.386 million gross provides funding to:

- Continue the program of detailed service efficiency studies to ensure all City divisions and agency services and functions are effective and efficient
- Undertake public consultation on significant issues such as establishing a casino in Toronto, a long term transportation plan and the revenue tools required to fund that plan
- Represent the City's position and negotiate agreements such as the federal long term infrastructure plan, through various intergovernmental committees
- Ensure that City Council and Committee governance structures and processes are open and effective and that the governance and relationship frameworks with agencies and corporations are working effectively
- Lead and coordinate corporate initiatives such as improving customer service, staff recognition programs, enhancing civic engagement processes and tools, and Pan Am 2015
- Continue regular reporting of performance measures and indicators including benchmarked results, and expand the scope of reporting to include other areas such as customer service results
- Manage corporate issues, and forecast and co-ordinate Committee and Council agenda items
- Build capacity of the TPS corporately/divisionally to embed equity, diversity and human rights in all its policies, strategies, operational protocols and program guidelines
- Administer the new template for action planning and reporting on equity, diversity and human right achievements across the Toronto Public Service
- Develop various plans such as the multi-year Accessibility for Ontarians with Disabilities Act (AODA) compliance plan and the Urban Aboriginal Framework action plan
- Provide advice, support, audit and assurance services, and undertake reviews to evaluate and strengthen risk management and internal controls, improve operations, as well as assuring fiscal responsibility, accountability and compliance with applicable policies and procedures
- Enhance the promotion of City initiatives and programs through existing and new information channels such as social and digital communications
- Develop an integrated Web plan including Web revitalization and implementation of a content management system
- Facilitate media relations and issues management activities across the organization to ensure early identification, effective coordination and centralized management
- Implement a city-wide internal communications strategy and integrated action plan
- Provide expert advice and support to operating divisions faced with downsizing, reorganizing and service review challenges in a complex, unionized environment and collaborate with divisions to manage and coordinate workforce transition resulting from re-organizations

- Reduce hiring times and ensure quality of hiring decisions by leveraging a centralized/technology supported approach to employment testing for candidates for job transfer, return to work accommodation and redeployment.
- Foster a positive corporate culture, through mandated initiatives such as the TPS Mission, Values and Ethics Workshop, the Doing it Right campaign, employee engagement and continuous improvement initiatives, a focused investment in supervisors' role as managers of people and implementation of the 2013-2018 Toronto Public Service Workforce People Plan
- Automate and establish a learning management system and delivery of eLearning programs.
- Reduce the number of workplace accidents, the number of Musculoskeletal Disorders, and the number of overall safety incidents and Ministry of Labour orders

PART III: RECOMMENDED BASE BUDGET

**2013 Recommended Base Budget
(In \$000s)**

(In \$000s)	2012 Approved Budget	2013 Rec'd Base	Change 2013 Recommended Base vs. 2012 Appvd. Budget		FY Incremental Outlook	
			\$	%	2014	2015
	\$	\$	\$	%	\$	\$
GROSS EXP.	48,686.1	49,433.5	747.4	1.5%	538.3	241.3
REVENUE	8,098.1	8,845.5	747.4	9.2%		
NET EXP.	40,588.0	40,588.0	0.0	0.0%	538.3	241.3
Approved Positions	422.3	426.5	4.2	1.0%	1.0	

2013 Recommended Base Budget

The 2013 Recommended Base Budget of \$49.434 million gross and \$40.588 million net is the same as the 2012 Approved Budget of \$40.588 million net. The 2013 Recommended Base Budget provides \$0.560 million net in funding for base budget increases, representing an increase of 1.4% over the 2012 Approved Budget, offset by \$0.560 million in recommended service budget reductions bringing the Program's base budget on target with a 0% increase.

- The recommended budget reductions of \$0.560 million include \$0.235 million of savings from base budget reductions, \$0.143 million from efficiencies and \$0.183 million from service changes.
- Approval of the 2013 Recommended Base Budget will result in an increase of 4.2 positions from the 2012 Approved Complement.

**2013 Recommended Staff Complement
Base Budget Summary**

Changes	Staff Complement
2012 Approved Complement	391.0
- 2012 In-year Adjustments	31.3
2012 Approved Staff Complement	422.3
2013 Recommended Staff Complement Changes	
- 2013 Temporary Complement - Capital Project Delivery	4.0
- 2013 Operating Impacts of Completed Capital Projects	0.5
- 2013 Base Change	1.7
- 2013 Service Change Adjustments	(2.0)
Total 2013 Recommended Complement	426.5

- The 2013 Recommended complement for the City Manager's Office of 426.5 includes 2012 in-year adjustments of 31.3 positions and a 2013 base budget increase of 4.2 positions based on:
 - The in-year transfer of 27.0 positions from other City Programs, for the consolidation of the communications functions within Strategic Communications.

- 1.3 positions for the HR Skills Assessment project that was approved by City Council in the 2012 IT Capital Budget but omitted in the 2012 City Manager's Office Recommended Operating Budget.
- 1.0 temporary position to be added to the HR-FPARS capital project complement as a new HR Consultant for the purposes of delivering training for City staff in preparation for "Go Live".
- 1.0 temporary position was created for the Tower Renewal Project to implement an energy efficiency improvement program targeting the City's older high-rise apartment buildings. The position is funded by Ontario Power Authority.
- 1.0 temporary Manager, Digital Communications position established to manage, oversee and develop digital communications and social media strategies, and to provide communications leadership for the City's website and online presence.
- The 2013 base budget increase of 4.2 positions consists of the following:
 - An increase of 4 temporary capital positions in order to continue the implementation process of the E-HR strategy project.
 - An increase of 0.5 permanent positions for the sustainment of the Skills Assessment Centre project.
 - A net increase of 1.7 positions consisting of an increase of 3 temporary positions for delivery of the FPARS capital project, offset by the reduction of 1.3 temporary capital positions due to the completion of the HR Skills Assessment project by January 2013.
 - A decrease of 2.0 permanent positions recommended for reduction as a service change. More details are provided in the 2013 Recommended Service Changes section.

2013 Recommended Service Change Summary
(In \$000s)

Description	2013 Recommended Service Changes				Net Incremental Impact			
	Position Changes	Gross Expense	Net Expense	% Change over 2012 Budget	2014		2015	
					Net Expenditure	Position Change	Net Expenditure	Position Change
Base Changes:								
Base Expenditure Changes								
Reduction in fringe benefit rates from 27.01% to 26.5% to reflect actuals		(161.4)	(161.4)	(0.4)				
Line by line reductions to reflect actuals		(73.2)	(73.2)	(0.2)				
Base Expenditure Changes		(234.6)	(234.6)	(0.6)				
Service Efficiencies								
One-time gapping in Equity, Diversity and Human Rights		(8.8)	(8.8)		8.8			
One-time gapping in Internal Audit		(19.1)	(19.1)		19.1			
One-time gapping in Strategic Communications		(94.4)	(94.4)	(0.2)	94.4			
One-time gapping in Strategic Corporate Policy		(20.2)	(20.2)		20.2			
Sub-Total Service Efficiencies		(142.5)	(142.5)	(0.4)	142.5			
Service Changes								
Delete 2 Approved positions	(2.0)	(182.8)	(182.8)	(0.5)				
Sub-Total Service Changes	(2.0)	(182.8)	(182.8)	(0.5)				
Total Service Changes	(2.0)	(559.9)	(559.9)	(1.4)	142.5			

2013 Recommended Service Changes

The 2013 recommended service changes consist of base expenditure reductions of \$0.235 million, service efficiency savings of \$0.143 million, and service change reductions of \$0.183 million net, representing a decrease of 1.4% from the 2012 Approved Budget, which offsets the program's incremental base budget pressures of \$0.560 million or 1.4% increase, bringing the 2013 Recommended Base Budget to \$40.588 million net and meeting the 0% increase target.

Base Expenditure Savings: (\$0.235 million gross, savings of \$0.235 million net)

Reduction in Fringe Benefit Rates

- A reduction in fringe benefit rates from 27.01% to 26.5% to reflect 2012 actual expenses results in a savings of \$0.161 million.

Line by Line Reductions

- Reductions in salary and non-salary expenditures to reflect 2012 actual experience, results in savings of \$0.073 million.

Service Efficiencies: (\$0.143 million gross, savings of \$0.143 million net)

One time Gapping

- One time gapping in the Equity, Diversity and Human Rights, Internal Audit, Strategic Communications and Strategic Corporate Policy units will provide one-time savings of

\$0.009 million, \$ 0.019 million, \$0.094 million and \$0.020 million respectively. The gapping savings is one time and will be reversed in 2014.

Service Changes: (\$0.183 million gross, savings of \$0.183 million net)

Reduction of 2 permanent positions

- Two permanent filled positions will be deleted for a savings of \$0.183 million (please refer to Confidential Attachment 1).

2014 and 2015 Outlook (In \$000s)

Description	2014 - Incremental Increase					2015 - Incremental Increase					Total Net % Change from 2013
	Gross Expense	Revenue	Net Expense	% Net Change from 2013	# Positions	Gross Expense	Revenue	Net Expense	% Net Change from 2014	# Positions	
Known Impacts											
Capital Sustainment for Toronto Progress Portal / Civic Engagement capital projects	177.0		177.0	0.4	1.0						0.4
Progression pay Increases	156.9		156.9	0.4		170.1		170.1	0.4		0.8
Negotiated annual increases for unionized staff	54.1		54.1	0.1		71.2		71.2	0.2		0.3
FPARS Temp Position expiring March 2014	(270.0)	(270.0)	0.0		(3.0)	(90.0)	(90.0)	0.0			
Fleet Vehicle Reserve	7.8		7.8								
Reversal of one time gapping - Equity, Diversity and Human Rights	8.8		8.8								
Reversal of one time gapping - Internal Audit	19.1		19.1								
Reversal of one time gapping - Strategic Corporate Policy	20.2		20.2								
Reversal of one time gapping - Strategic Communications	94.4		94.4	0.2							0.2
Sub-Total Known Impacts	268.3	(270.0)	538.3	1.8	(2.0)	151.3	(90.0)	241.3	0.8		1.9
Anticipated Impacts											
Sub-Total - Anticipated Additional Impacts											
Total Incremental Impacts	268.3	(270.0)	538.3	1.8	(2.0)	151.3	(90.0)	241.3	0.8		1.9

Approval of the 2013 Recommended Base Budget for the City Manager's Office will result in a 2014 incremental cost increase of \$0.538 million and a 2015 incremental cost increase of \$0.241 million to maintain 2013 service levels.

Future year incremental costs are primarily attributable to the following:

Known Impacts

2014

- Operating impacts from Capital for the sustainment of the Toronto Progress Portal / Civic Engagement capital projects will result in an increase of \$0.177 million and 1 temporary position.
- Up to 3% progression pay for non-union staff and 1.75% negotiated annual increases for union staff will result in increases of \$0.157 million and \$0.054 million respectively.
- A contribution to the vehicle reserve will increase costs by \$0.008 million.
- The annualized impact of deleting 3 temporary FPARS capital positions as of March 2014 for a decrease of \$0.270 million gross and \$0 net, as these positions are funded from the Capital Budget.
- The reversal of one-time gapping for positions in the Equity, Diversity and Human Rights, Internal Audit, Strategic Corporate Policy and Strategic Communications units will result in increases of \$0.009 million, \$0.019 million, \$0.020 million and \$0.094 million respectively.

2015

- The annualized impact of deleting 3 additional temporary FPARS capital positions for a decrease of \$0.090 million gross and \$0 net, with the completion of the FPARS project.
- Up to 3% progression pay, and 2.25% negotiated annual increases for unionized staff will require additional funds of \$0.170 million and \$0.071 million respectively.

PART IV: RECOMMENDED NEW/ENHANCED SERVICE PRIORITY ACTIONS

**2013 Recommended New/Enhanced Service Priority Actions
(In \$000s)**

Description	2013 Recommended			Net Incremental Impact			
	Gross Expense	Net Expenditures	New Positions	2014		2015	
				Net Expenditures	# Positions	Net Expenditures	# Positions
Enhanced Service Priorities							
Employee and Labour Relations	952.6	952.6	9.0				
Sub-Total - Enhanced Service Priorities	952.6	952.6	9.0				
New Service Priority Actions							
Sub-Total New Service Priorities							
Total New / Enhanced Service Priorities	952.6	952.6	9.0				

2013 Recommended New / Enhanced Service Priority Actions

Enhanced Service Priorities

Employee and Labour Relations

- The Employee and Labour Relations (E&LR) section currently lends labour relations expertise and provides advice and support to all city divisions that employ approximately 36,000 employees, 89% of which are unionized, at 800 work locations. The current E&LR staff complement is 35 positions (reduced from 40 since 2009) that provide support to grievance activity, mediations, arbitrations, training as well as collective bargaining.
- The demand for labour relations expertise and support has increased significantly with Council's overall direction and City Division initiatives arising from the core service reviews, efficiency studies, alternative service delivery activities, position deletions, redeployments and lay-offs as well technological change and consolidation of services and organizational reviews.
- Since 2010, E&LR has experienced a significant reduction in its approved staff complement (almost 15%) as well as an exceptionally high turnover rate of almost 40%, attributable to the increase in demand for service with a decreasing workforce to carry the workload. The effect of position reductions, as well as the key staff departures has left the Employee and Labour Relations in dire need of experienced labour relations professionals in order to meet the increasingly heavy and complex demand for its services.
- The recommendation is to add nine positions, effective January 30, 2013, to the E&LR complement: 5 Senior HR Consultants, 2 HR Associates and 2 HR Program Assistants, to ensure a more coordinated and strategic approach to the increased demand for labour relations expertise and support. The required funding for these 9 positions is \$0.953 million.
- Additional Employee and Labour Relations resources will facilitate earlier resolution of labour disputes and grievances, (and bring into balance the demand for services, which includes previously downloaded support to divisions at Step 2 grievances), with potential

savings from reduced reliance on mediation and arbitration as a means of resolving grievances; facilitate implementation of new collective agreement provisions with estimated savings of \$150 million; facilitate the analysis of trends and provision of education to ensure a strategic approach and response to emerging labour relations issues with City-wide implications.

Part V: ISSUES FOR DISCUSSION

2013 and Future Year Issues**2013 Issues***Human Resources Transition Team Reinstatement*

As a result of budget adjustments during the 2011 Budget process, eight human resource professionals were transferred to the Non-Program Budget. These positions were dedicated to assisting the City's programs and agencies with downsizing/streamlining initiatives. During the 2012 Budget process, eight positions within the Human Resources Division (City Manager's Office) were gapped to meet the 2012 10% target reduction. At the time, it was noted that the gapping of these positions was unsustainable. As the Transition Team's activities were coming to an end, the funding for the 8 positions in the Non-Program Budget was transferred to the City Manager's Office in-year to reinstate funding for the 2012 gapped positions.

Core Service Review and Efficiency Study Implementation

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

Centralize communications responsibilities across City divisions.

Status: Twenty-seven permanent positions and associated budgets were transferred to the City Manager's Office from various program areas during 2012 to implement a centralized model of service delivery. A total of \$2.877 million gross, \$1.799 million net was transferred.

Expedite the implementation of the Content Management System by the Web Competency Centre.

Status: Strategic Communications is working in partnership with the Web Competency Centre and a new Project Director, I&T Division, to implement the Web Content Management System across the organization by December 2013 including working with business areas to review and analyze content, provide training on the WCM tool and provide internal communications on the project through existing and new tools such as a regularly updated intranet site.

Expedite the work of the Toronto I&T Committee Review and come to a decision on e-media governance.

Status: The I&T Committee Review was completed and approved by the Business Executive Committee in May 2012. Some of the recommendations were implemented in 2012. Full implementation is on hold until the eCity Strategy Map is completed.

Support and accelerate the development of the e-media strategy and goals for the City.

Status: Resources are currently focused on the expedited implementation of the Web Revitalization Project for 2013-2014. Once the project is completed, Strategic Communications will develop the City's e-media strategy and goals with the support of a new Manager, Digital Communications.

Appendix 1

2012 Performance

2012 Key Accomplishments

In 2012, the City Manager's Office achieved the following results:

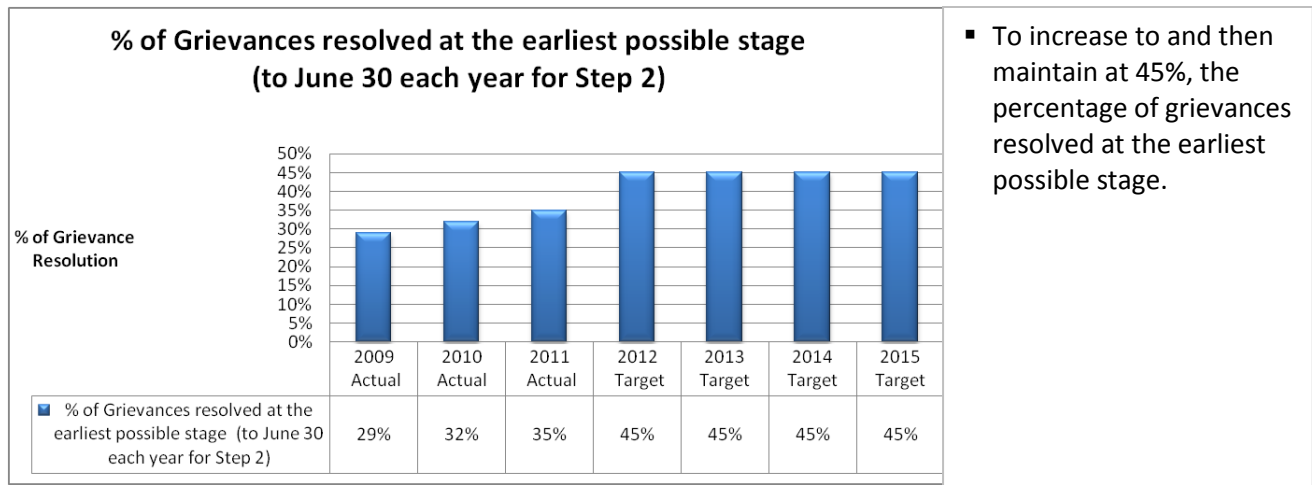
- ✓ Achieved 4-year negotiated settlements for six (6) collective agreements, with a seventh collective agreement going to interest arbitration for resolution of a few outstanding issues, gained provisions aimed at increasing management's flexibility and customer service while reducing costs
- ✓ Continued eight service efficiency reviews including Parks, Forestry & Recreation, Long Term Care Homes & Services, Courts Services, City Planning, Counter Services, EMS/Fire, Children's Services, Environment and Energy Efficiency programs as well as a comprehensive Shared Services study covering City divisions and major agencies
- ✓ Implemented changes to the composition of Agency and Corporation boards, including the recruitment of four citizen members for the new TTC board structure and reported on executive compensation for Agencies and Corporations
- ✓ Established and administered the Council-directed advisory panel process for rapid transit along Sheppard Avenue
- ✓ Coordinated responses related to the development of a long term transit/transportation plan and investment strategy and the City's participation in the Federal government's 2012 infrastructure investment program (CIIF)
- ✓ Finalized Metrolinx-City-TTC Master Agreement governing the delivery of provincially-funded Toronto transit projects - Eglinton Crosstown LRT, Scarborough RT conversion to LRT, Sheppard East LRT and Finch West LRT
- ✓ Designed and conducted the process for the renewal of the City Strategic Plan through Executive Team planning meetings and Cluster Senior Management planning meetings
- ✓ Completed the Labour Disruption Response Plan to ensure comprehensive business continuity plans, communications strategy and establishment of a central command centre and training to city management, in the event of a city-wide labour disruption
- ✓ Continued reduction in workplace injuries and costs. Reduced 2011 lost time injuries by 15%, recurrence injuries by 19% and severity of lost time (time off per injury) injuries by 12.5%. Reduced WSIB costs by \$1.35 million since 2010. Provided 55,000+ hours of health % safety training to City Divisions
- ✓ Managed and co-ordinated corporate downsizing through the Workforce Transitions HR Service Group resulting in divisions achieving 2012 Council mandated budget reduction targets
- ✓ Delivered TPS learning courses to approximately 9,000 participants while maintaining a quality assurance level of 4 out of 5 satisfaction rating in 95% of participants

- ✓ Assessed the adequacy of controls and procedures relating to Property Tax and Water Relief programs, adherence to standards and legislative requirements with respect to a Bridge Inspection program
- ✓ Handled an increasing number of Human Rights complaints & divisional requests for investigation/intervention/training
- ✓ Developed and implemented a major corporate strategy: *A Guide to Good Practice: Providing Equitable Services to Individuals of All Abilities in response to the Ombudsman's recommendation in the report Duty to Care*
- ✓ Led a corporate compliance strategy on AODA
- ✓ Made approximately 30 presentations to divisions and communities on: embedding access/equity in program design, EDHR vision for TPS, AODA, Aboriginal issues, Human Rights in the workplace, equity & diversity in employment, leadership and gender, role of municipal government in promoting equity and diversity, equity and sustainable society, and race and divisional protocols
- ✓ Implemented initial recommendations of a Communications Service Efficiency Study to centralize communications function by incorporating cluster communications units into Strategic Communications
- ✓ Launched podcasts on City website and biweekly Rogers TV program on City news
- ✓ Created a social media strategy including streamlined authorization process for City staff and updated guidelines for use of social media
- ✓ Launched an accreditation process for members of City Hall press gallery
- ✓ Produced multiple communications vehicles such as news releases, press conferences, web content, City Update, Our Toronto, City Insider, Council Highlights, Monday Morning News, daily News Summary, Messages from City Manager, etc. within tight timelines
- ✓ Provided communications, media relations and issues management support for major City initiatives including the 2012/2013 Budget, the Team Toronto Business Mission to Chicago, FPARS, the 2012 Ontario Summer Games, the War of 1812 Bicentennial project, the Official Plan, the Transportation Master Plan, the Pan/Parapan Am Games, the 2012 Service Efficiency Studies, the Zoo REOI, the Casino Study, the Ombudsman's and Auditor General's reports, the collective bargaining strategy and labour disruption planning
- ✓ Produced a quarterly Management Information Dashboard of key economic and social indicators, and other operational statistics
- ✓ Launched a renewed relationship with Toronto Port Authority that it is expected to yield inclusion of the City's Mains in the TPA's pedestrian tunnel at a savings of \$10 million for the City's long-term capital infrastructure
- ✓ Coordinated Corporate Agenda Forecast activities overseeing review of 1482 reports in 2012 and preparation of 101 briefing notes between January and October.
- ✓ Developed and Launched the *Doing it Right* initiative (to provide a safe, ethical and respectful workplace), and the *You Make the Difference* staff recognition program

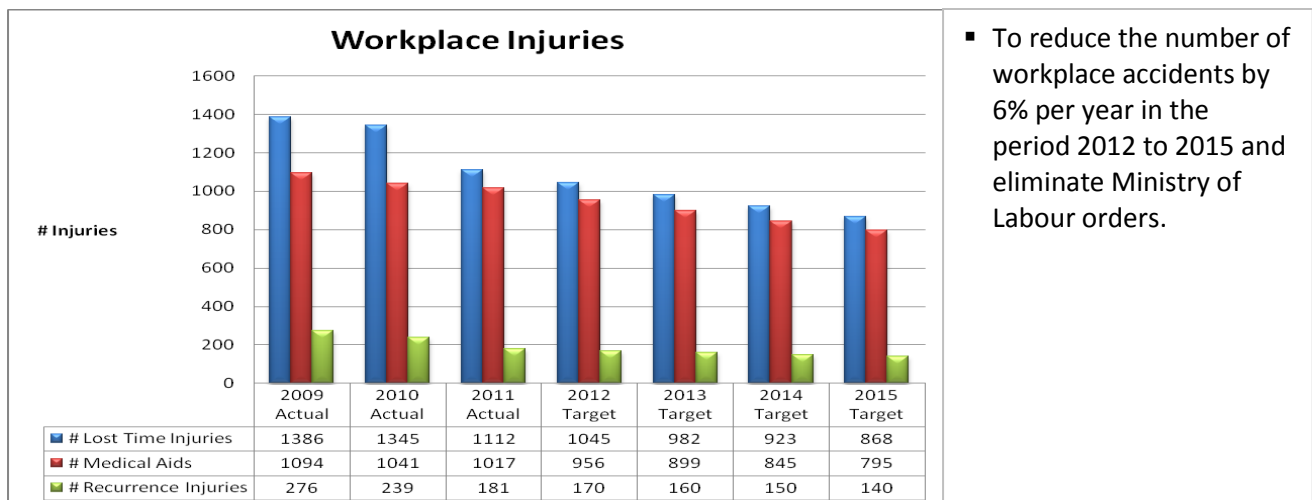
- ✓ Ensured implementation of all Recommendations in the 2011 Ombudsman’s Annual Report
- ✓ Implemented recommendations resulting from an external QA review of the Internal Audit function, including submitting the first annual report to Audit Committee highlighting work done by the Division in 2012 and communicating the audit work plan for 2013
- ✓ Completed a City wide review of kilometrage use by City employees in selected Divisions in order to provide assurance to management that claims are complete, accurate, authorized and processed in a timely and efficient manner

2012 Performance

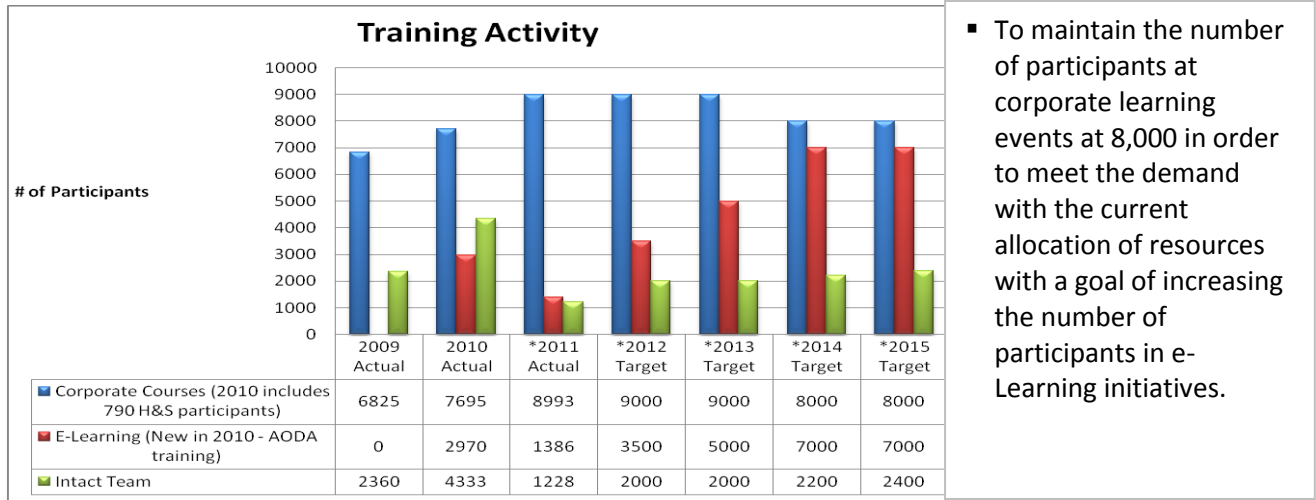
Employee and Labour Relations



Safe and Healthy Workplaces



Organization & Employee Effectiveness



2012 Budget Variance Analysis

2012 Budget Variance Review (In \$000s)

(In \$000s)	2010	2011	2012	2012	2012 Approved Budget vs Projected Actual Variance	
	Actuals	Actuals	Approved Budget	Projected Actuals*	\$	%
	\$	\$	\$	\$	\$	%
Gross Expenditures	41,436.7	40,047.4	48,686.1	47,429.9	(1,256.2)	(2.6)
Revenues	4,334.1	6,066.5	8,098.1	7,355.0	(743.1)	(9.2)
Net Expenditures	37,102.6	33,980.9	40,588.0	40,074.9	(513.1)	(1.3)
Approved Positions	422.0	405.0	422.3	401.0	(21.3)	(5.0)

* Based on the 3rd Quarter Operating Budget Variance Report.

2012 Experience

- The projected year-end net variance for the City Manager's Office as at September 30, 2012 is anticipated to be \$0.513 million or 1.3% below the 2012 Approved Operating Budget of \$40.588 million net.
- The projected under-spending of \$1.256 million gross is mainly due to savings arising from a delay in filling vacant positions. These savings are offset by lower revenues of \$0.743 million, mainly due to \$1.419 million of underachieved recoveries from capital funds as a result of a delay in filling vacant capital positions, offset by overachieved recoveries of \$0.836 million from client programs.

Impact of 2012 Operating Variance on the 2013 Recommended Budget

- The underexpenditure in 2012 is not expected to continue into 2013 as all capital project delivery positions are expected to be filled in early 2013.

Appendix 2

2013 Recommended Operating Budget by Expenditure Category and Key Cost Driver

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

Category of Expense	2010	2011	2012	2012	2013	2013 Change from		2014	2015
	Actual	Actual	Budget	Projected Actual	Recommended Budget	2012 Approved Budget		Outlook	Outlook
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	36,877.3	36,860.6	44,572.1	43,198.8	46,244.4	1,672.3	3.8	46,504.9	46,655.9
Materials and Supplies	175.8	139.1	233.7	209.2	213.9	(19.8)	(8.5)	213.9	213.9
Equipment	38.4	27.8	91.6	71.7	88.7	(2.9)	(3.2)	88.7	88.7
Services & Rents	3,735.8	2,400.0	3,208.5	3,382.1	3,296.3	87.8	2.7	3,296.3	3,296.3
Contributions to Capital		2.5							
Contributions to Reserve/Res Funds	74.8	76.2	77.1	77.1	84.5	7.4	9.6	92.3	92.3
Other Expenditures									
Interdivisional Charges	534.6	541.2	503.1	491.0	458.3	(44.8)	(8.9)	458.3	458.3
TOTAL GROSS EXPENDITURES	41,436.7	40,047.4	48,686.1	47,429.9	50,386.1	1,700.0	3.5	50,654.4	50,805.4
Interdivisional Recoveries	3,555.5	5,351.9	4,233.6	5,069.9	4,167.0	(66.6)	(1.6)	4,167.0	4,167.0
Provincial Subsidies			221.0	7.9	379.1	158.1	71.5	379.1	379.1
Federal Subsidies	150.3								
Other Subsidies									
User Fees & Donations	21.0	15.2	15.9	62.1	15.9			15.9	15.9
Transfers from Capital Fund			3,254.0	1,835.3	3,916.9	662.9	20.4	3,646.9	3,556.9
Contribution from Reserve Funds									
Contribution from Reserve									
Sundry Revenues	607.3	699.4	373.6	379.8	366.6	(7.0)	(1.9)	366.6	366.6
TOTAL REVENUE	4,334.1	6,066.5	8,098.1	7,355.0	8,845.5	747.4	9.2	8,575.5	8,485.5
TOTAL NET EXPENDITURES	37,102.6	33,980.9	40,588.0	40,074.9	41,540.6	952.6	2.3	42,078.9	42,319.9
APPROVED POSITIONS	422.0	405.0	422.3	401.0	435.5	13.2	3.1	433.5	433.5

2013 Key Cost Drivers

Salaries and benefits are the largest expenditure category and account for 91.8% of the total recommended expenditures, followed by services and rents at 6.5%, and interdivisional charges at 0.9%.

- The 2013 budget for salaries and benefits of \$46.244 million is \$1.672 million or 3.8% greater than the 2012 Approved Operating Budget.
 - In 2013, the Programs staffing complement will increase by 3 temporary capital positions for FPARS at a cost of \$0.360 million, offset by the deletion of 2 permanent positions as a result of service reductions, thus lowering its salaries and benefits budget by \$0.183 million. Increases for progression pay, step and negotiated annual increase and a rate increase in benefits require an additional \$0.591 million for 2013. Also, 9

new positions are recommended for Employee and Labour Relations at a cost of \$0.953 million.

- The 2013 budget for Revenues is \$8.486 million, which is \$0.747 million or 9.2% higher than the 2012 operating budget.
 - The 2013 budget for provincial subsidies is \$0.379 million, which is \$0.158 million or 71.5% higher than the 2012 Approved Operating Budget. The Tower Renewal Office Project has been selected by the Ontario Power Authority (OPA) to receive funding for an energy efficiency improvement program targeted to apartment buildings. OPA will provide funding of \$0.158 million in 2013 towards the Tower Renewal Office initiative.
 - The 2013 budget for Transfers from Capital of \$3.557 million is \$0.663 million or 20.4% higher than the 2012 budget of \$3.254 million. This reflects increased recoveries for additional capital project delivery positions, namely the E-HR Strategy project and the FPARS project.

The 2013 Recommended Base Budget provides funding for the following:

Economic Factors

- Progression pay, step and negotiated annual increases and a rate increase in benefits resulted in a net increase of \$0.591 million.

Other Base Changes

- Funding from the Ontario Power Authority for the Tower Renewal Office initiative, results in \$0.158 million gross and \$0 net.

Appendix 3

Summary of 2013 Recommended Service Changes



2013 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	CITY MANAGER City Manager's Office	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
2013 Recommended Base Budget Before Service Change:			49,758.9	8,845.5	40,913.3	428.5	395.8	241.2
Z1	1	Temporary Gapping - EDHR	(8.8)	0.0	(8.8)	0.0	8.8	0.0
<small>(CM-Z-009)</small> Service / Activity: Equity, Diversity and Human Rights / N/A Description: One-time gapping in Equity, Diversity and Human Rights is recommended for 2013 in order to meet 0% increase budget target. Service Level Change: No change. ADMIN: Recommended			(8.8)	0.0	(8.8)	0.0	8.8	0.0
Z1	1	Temporary Gapping - IA	(19.1)	0.0	(19.1)	0.0	19.1	0.0
<small>(CM-Z-010)</small> Service / Activity: Internal Audit / N/A Description: One-time gapping in Internal Audit is recommended for 2013 in order to meet 0% increase budget target. Service Level Change: No change. ADMIN: Recommended			(19.1)	0.0	(19.1)	0.0	19.1	0.0
Z1	11	Temporary Gapping - SCP	(20.2)	0.0	(20.2)	0.0	20.2	0.0
<small>(CM-Z011)</small> Service / Activity: Strategic & Corporate Policy / N/A Description: One-time gapping in Strategic & Corporate Policy is recommended for 2013 in order to meet 0% increase budget target. Service Level Change: No change. ADMIN: Recommended			(20.2)	0.0	(20.2)	0.0	20.2	0.0

Category Legend - Type

- Z1 - Efficiency Change
- Z2 - Revenue Change
- Z3 - Service Change



2013 Operating Budget - Recommended Service Change Summary of Administrative Review

TYPE	PRIORITY	CITY MANAGER City Manager's Office	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
Z3	1	Temporary Gapping - SC (CM-Z-006) Service / Activity: Strategic Communications / N/A Description: One-time gapping in Strategic Communications is recommended for 2013 in order to meet 0% increase budget target. Service Level Change: No change. ADMIN:	(94.4)	0.0	(94.4)	0.0	94.4	0.0
Z3	1	Reduction of 2 permanent positions (CM-Z-008) Service / Activity: Human Resources Division / N/A Description: Reduction of 2 positions. Please refer to Confidential attachment 1 for more details. Service Level Change: Please refer to Confidential attachment 1 for more details. ADMIN: Recommended	(94.4)	0.0	(94.4)	0.0	94.4	0.0
Total Recommended Service Level Reductions:			(325.3)	0.0	(325.3)	(2.0)	142.5	0.0
Total Recommended Base Budget:			49,433.5	8,845.5	40,588.0	426.5	538.3	241.2

Category Legend - Type

- Z1 - Efficiency Change
- Z2 - Revenue Change
- Z3 - Service Change

Appendix 4
Summary of 2013 Recommended New
/Enhanced Service Priority Actions



2013 Operating Budget - Recommended New and Enhanced Services Summary of Administrative Review

TYPE	PRIORITY	CITY MANAGER City Manager's Office	Recommended Adjustments				2014 Net Incremental Outlook (\$000s)	2015 Net Incremental Outlook (\$000s)
			Change in Gross Expenditure (\$000s)	Change in Revenue (\$000s)	Net Change (\$000s)	Change in Approved Positions		
N2	1	Nine New Positions - Employee and Labour Relations	952.6	0.0	952.6	9.0	0.0	0.0
(CM-N-001)		<p>Service / Activity: Human Resources Division / N/A</p> <p>Description: The Employee and Labour Relations section currently lends labour relations expertise and provides advice and support to all city divisions that employ approximately 36,000 employees, 89% of which are unionized, at 800 work locations. The current Employee and Labour Relations staff complement is 35 employees that provide support to grievance activity, mediations, arbitrations, training as well as collective bargaining. Presently, operating Divisions have full responsibility for Step 2 of the grievance procedure.</p> <p>As a result of City Council's overall direction and City Division initiatives related to core/service review implementation, alternative service delivery, contracting out, position deletions, lay-offs, as well as technological change, consolidation of services, and organizational reviews, the demand for labour relations expertise and support has increased significantly. As a result it is recommended nine (9) positions be added to the Employee & Labour Relations (E&LR) complement: 5 Senior HR Consultants, 2 HR Associates and 2 HR Program Assistants, to ensure a more coordinated and strategic approach to this increased demand for labour relations expertise and support.</p> <p>Service Level Change: Benefits to be realized with the addition of 9 positions to the Employee and Labour Relations (E&LR) complement include: Employee and Labour Relations resuming responsibility for labour relations work previously downloaded to divisions including Step 2 grievances; helping the City realize the estimated \$150.000 million in savings from significant gains made during the last round of collective bargaining; and facilitating the analysis of trends and provision of education to ensure a strategic approach and response to emerging labour relations issues with City-wide implications.</p>						
		ADMIN: Recommended	952.6	0.0	952.6	9.0	0.0	0.0
Total Recommended New/Enhanced:			952.6	0.0	952.6	9.0	0.0	0.0

Category Legend - Type

- N1 - Enhanced Services - Operating Impact of 2013 Capital
- N2 - Enhanced Services - Service Expansion
- N3 - New Service - Operating Impact of 2013 Capital
- N4 - New Services
- N5 - New Revenues
- N6 - New User Fee Revenue

Appendix 5
Inflows / Outflows to / from Reserves & Reserve Funds
(In \$000s)

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of December 31, 2012 *	Proposed Withdrawals (-) / Contributions (+)		
			2013	2014	2015
		\$	\$	\$	\$
Vehicle Equipment Reserve	XQ1505	17.9	7.8		
Insurance Reserve Fund	XR1010	21,130.4	75.6		
Total Reserve / Reserve Fund Draws / Contributions			83.4		

* Based on 3rd Quarter Variance Report