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## 2012 OPERATING BUDGET BRIEFING NOTE

### Staff Recommended Gapping

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#### Issue/Background:

This briefing note summarizes by City Program and Agency, gapping levels included in the 2012 Recommended Operating Budget. A comparison of the gapping data for 2011 is also provided for reference purposes. Both the gapping savings and the gapping rate, which represents the relationship between savings in the 2012 recommended salaries and benefits budget and the gapping level as a percentage of salaries and benefits are provided.

#### Key Points:

- Gapping represents the difference between funding that would be required for full salaries, wages and benefits for the staff complement of a particular staff unit and the actual funding provided. Gapping represents the savings that would be achieved as a result of vacancies or staff turnover not intended to be filled (known gapping) and an allowance for unplanned or unanticipated staff turnover (unknown gapping).
- The gapping rate is expressed as the savings or reduction in salaries and benefits, as a percentage of total salaries and benefits.
- City Programs and Agencies are expected to realize gapping savings annually by managing the recruitment of new hires throughout the year.
- In 2012, City Programs and Agencies were instructed to maintain the same percentage rate of gapping as in 2011. Any proposed decrease to budgeted gapping rates is deemed to have a service impact and is treated as a New/Enhanced Service change in the Operating Budget.
- Gapping rates are dependent on a Program's specific workforce profile. Note that for City Operations with a high proportion of part-time staff, the overall gapping rate may be significantly lower, since gapping is only applied to permanent positions, as noted in the attached Appendix. For example, Parks, Forestry and Recreation gapping for permanent salaries and benefits is 3.5%, but when compared to its overall Salary & Benefits budget, which includes funding for seasonal and part-time staff, the gapping rate is 2.0 %.
- Positions fully funded by the Province are not gapped in order to maximize Provincial funding. Similarly, operations that provide 24/7 services, such as Long Term Care Homes and Services or Programs that must maintain regulated staffing ratios are not gapped.

- As indicated in Appendix 1, total gapping savings included in the 2012 Recommended Operating Budget is \$10.990 million. By comparison, the 2011 budgeted gapping was \$87.088 million. The average gapping rate for 2012 is 2.5%, while the gapping rate for 2011 was 1.9%.
- The 2012 Staff Recommended Operating Budget includes budgeted gapping savings of \$60.013 million or 3.0% for City Operations. Comparatively, the 2011 budgeted gapping savings were \$ 51.515 million, a rate of 2.5%.
- For Agencies, the 2012 budgeted gapping savings is \$49.978 million or 2.0% of the 2012 Staff Recommended Salaries and Benefits Budget. Comparatively, gapping savings in 2011 were \$35.573 million, or 1.5%.

**City Programs and Agencies with significant gapping changes are highlighted below:**

- *Auditor General's Office* - increased to \$0.335 million or 8.08 % in 2012 from \$0.211 million or 5.1% in 2011.
  - Gapping has increased by \$0.124 million to reflect additional vacancies in 2012.
- *Fire Services* - increased to \$14.163 million or 4% in 2012 from \$6.979 million or 2% in 2011.
  - Fire Services has increased gapping from 2% to 4% or by \$7.185 million compared to 2011 mainly due to the deferred hiring of 68 firefighters.
- *The Lobbyist Registrar's Office* - increased to \$0.027 million or 2.7% in 2012 from \$0.008 million or 0.8% in 2011.
  - The Lobbyist Registrar's Office 2012 Recommended Operating Budget includes a one-time partial gapping of 1 manager. Gapping has increased by \$0.019 million.
- *Emergency Medical Services* - increased to \$6.124 million or 4.3% in 2012 from \$3.905 million or 2.7% in 2011.
  - EMS has increased gapping from 2.7% to 4.3% or by \$2.219 million compared to 2011 mainly due to the deferred hiring of 36 paramedics.
- *Toronto Police Service* - increased to \$25.7 million or 2.8% in 2012 from \$13.000 million or 1.4% in 2011.
  - TPS will defer 236 uniform and 117 civilian hiring, while maintaining current service levels in 2012
- *Legal Services* - increased to \$2.159 million or 5.9% in 2012 from \$1.780 million or 5% in 2011.
  - Legal Services will defer hiring vacant positions, while maintaining current service levels in 2012.

- *Transportation Services* -gapping rate increased by 0.6%, from 4.6% in 2011 to 5.2% in 2012.
  - As a result of recommended service changes, Transportation Services' complement will be reduced by 226.3 positions, thus reducing salaries and benefits by \$12.915 million. By maintaining the gapping rate value at the 2011 level on a reduced salaries and benefits budget, increases the overall gapping rate to 5.2%.
- *Facilities Management and Real Estate* - increased to \$2.885 million or 4% in 2012 from \$2.787 million or 3.4% in 2011.
  - Gapping has increased by 0.6% due to the significant reduction in salaries and benefits (\$11.455 million) resulting from a reduction of 129 staff positions.
- *Municipal Licensing & Standards* – decreased to \$0.973 million or 2.5% in 2012 from \$1.899 million or 4.5% in 2011.
  - The 2012 Recommended Budget for ML&S includes a reduction of 6 vacant positions and a corresponding reduction to both Salary & Benefits and the Program's gapping budget, for a net zero impact. The 2012 Recommended Budget also includes a reduction of 29 positions as a result of recommended service efficiencies and service level changes.
- *Court Services* - decreased to \$0.499 million or 2.3 % in 2012 from \$0.731 or 3.3% in 2011.
  - Gapping has decreased by \$0.232 million, as a result of phased hiring of vacant positions gapped in 2011 to support the new courtrooms.
- *Economic Development and Culture* - decreased to \$0.849 million or 3.5% in the 2012 from \$1.052 million or 4.2% in 2011.
  - Gapping has decreased by \$0.203 million due to reversal of the one-time gapping increase in 2011.

**Attachment:**

Appendix 1: Gapping Analysis - 2012 Staff Recommended Operating Budget

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