



# Toronto 2015 BUDGET

## OPERATING ANALYST NOTES



## Facilities, Real Estate, Environment & Energy

### 2015 OPERATING BUDGET OVERVIEW

Facilities, Real Estate, Environment & Energy work across the City with clients and stakeholders to deliver a comprehensive range of facility management, real estate services and sustainability programs in an efficient and effective manner that maximizes the City's property assets and delivers service excellence.

### 2015 Budget Highlights

The total cost to deliver these services to Toronto residents is \$189.210 million gross and \$65.319 million net as shown below.

(in \$000's)	Approved Budget	2015 Rec'd Budget	Change	
			\$	%
Gross Expenditures	188,746.9	189,210.4	463.5	0.2%
Gross Revenues	123,427.8	123,891.3	463.5	0.4%
<b>Net Expenditures</b>	<b>65,319.1</b>	<b>65,319.1</b>	<b>(0.0)</b>	<b>(0.0%)</b>

Through ongoing operational efficiencies and increased leasing revenues, the Program is able to manage budgetary pressures arising mainly from inflation in utilities and cost of living allowance increases for staff salaries and benefits while maintaining the same service levels for 2015.

### Contents

#### Overview & Recommendations

I: 2015–2017 Service Overview and Plan	5
II: 2015 Recommended Budget by Service	15
III: Issues for Discussion	25

#### Appendices:

1. 2014 Performance	30
2. 2015 Recommended Operating Budget by Expenditure Category	33
3. 2015 Organization Chart	34
4. Summary of 2015 Service Changes	35
5. Summary of 2015 New & Enhanced Service Changes	N/A
6. Inflows/Outflows to / from Reserves & Reserve Funds	36
7. 2015 User Fee Rate Changes	39

### Contacts

#### Kenneth Quan

Manager, Financial Planning  
Tel: (416) 392-8393  
E-Mail: [kquan2@Toronto.ca](mailto:kquan2@Toronto.ca)

#### Anthony Ng

Senior Financial Planning Analyst  
Tel: (416) 395-6767  
E-Mail: [ang2@Toronto.ca](mailto:ang2@Toronto.ca)

Fast Facts

- Manage over 400 City-owned and operated facilities covering more than 9.6 million square feet.
- Facilities Operations complete approximately 36,000 building maintenance work orders annually for City-owned facilities and respond to facility maintenance inquiries 100% within 3 days.
- Real Estate Services manage over 5,700 properties and 26.5 million square feet of building space in the Asset Portfolio worth \$12 billion, appraise more than 400 properties with 95% of properties sold at or above appraised value, and manage 1,000+ leases in the portfolio generating over \$48 million in annual lease revenues.
- Environment & Energy complete 25 building energy retrofits, 15 energy audits and monitor 3,500 energy accounts with a total utilities budget in excess of \$24 million.

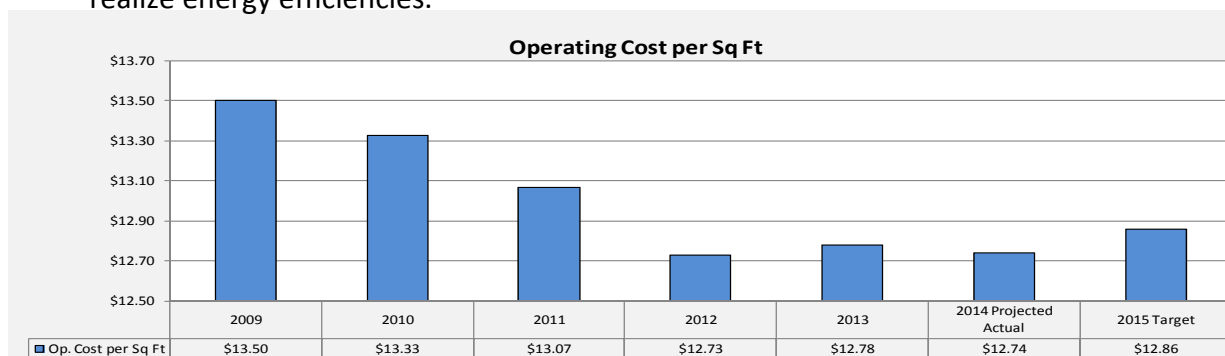
Trends

- Facilities Management strives to operate efficiently to maintain a square foot cost allocation that reflects good value for money in a municipal setting.
- The cost/square foot includes custodial, building repairs & maintenance, security and utilities costs. Costs have stabilized due to the use of a mixed service model for custodial and maintenance services, emphasizing a preventive maintenance plan and updating building automation system to realize energy efficiencies.

Our Service Deliverables for 2015

Facilities, Real Estate, Environment & Energy protect, maintain and maximize the City's investment in its public buildings and real property. The 2015 Recommended Operating Budget will:

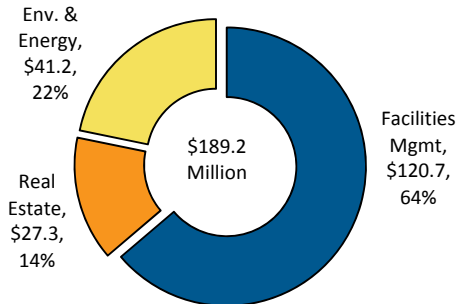
- Maintain City facilities in a clean, safe, and accessible manner as per Council approved maintenance standards.
- Ensure the City's property portfolio is optimal and meets program requirements.
- Monitor and promote the use of standard facility protocols under the Facilities Maintenance Standards within City programs.
- Conduct building conditions assessments on 20% of the building stock.
- Develop and implement Council priority capital projects including: Union Station, Nathan Phillips Square, St Lawrence Market North, and Old City Hall.
- Acquire properties within the timeframes established and within 10% of appraised value.
- Identify properties surplus and dispose them at 90% or better of appraised value.
- Maximize lease revenues by negotiating optimal leasing arrangements.
- Reduce energy demand and greenhouse gases and increase use of renewable energy technologies and clean energy generation in an effort to meet 80% of energy needs through these means by 2050.



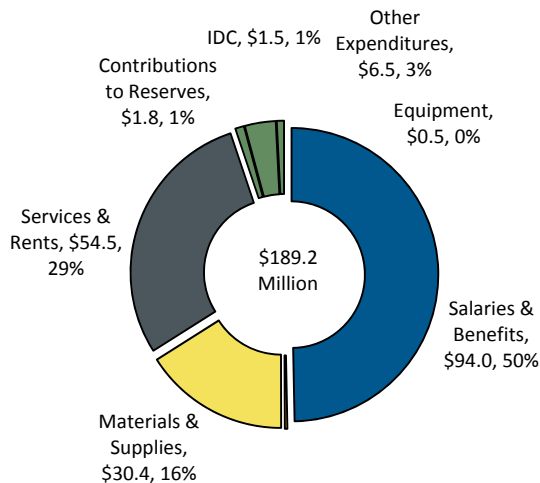
2015 Operating Budget Expenses & Funding

Where the money goes:

2015 Budget by Service  
\$189.2 Million

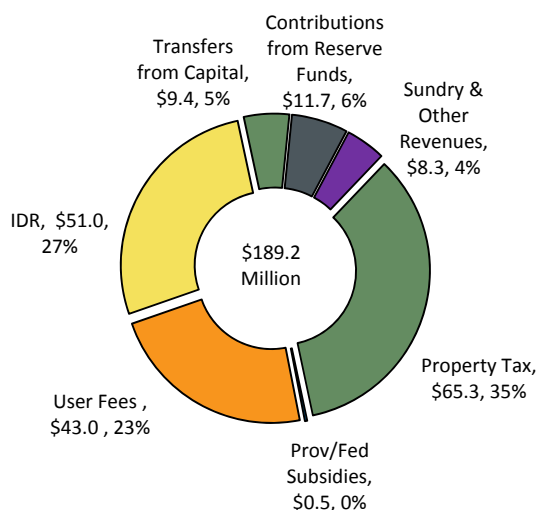


2015 Budget by Expenditure Category



Where the money comes from:

2015 Budget by Funding Source



Our Key Challenges & Priority Actions

- Improving resilience to high impact extreme weather events and ability to mitigate potential damages and disruption to City Programs and Agencies.
- ✓ The 2015 Recommended Operating Budget includes an incremental \$0.250 million and 2 new positions to implement the Climate Change Risk Management Policy adopted by Council in July 2014.
- Unlocking the value of the City's real estate portfolio. Evaluate best use for City owned buildings and continue to search for opportunities to strategically utilize assets more efficiently and maximize value where opportunities to sell assets exist through Build Toronto.
- ✓ Act on opportunities through detailed review, market research and analysis by qualified trained staff to ensure City's Real Estate portfolio meets the needs of City Programs and Agencies.
- Better align preventative maintenance schedules with state of good repair plans across the City's building portfolio.
- ✓ The operating impact resulting from the investment in SAP facilities maintenance functionality will automate core business processes related to facility work orders, scheduled preventative maintenance and inventory management, while interfacing with state of good repair plans.

2015 Operating Budget Highlights

- Inflationary increases for staff salaries and benefits (\$2.009 million), utilities (\$1.620 million) and custodial / security contracts (\$0.849 million).
- Service efficiencies resulting in deletion of 7 positions with minimal impact on service level (\$0.315 million).
- Prioritize maintenance functions and security services within established base standards (\$0.837 million).
- Capitalizing on opportunities to generate new or increased leasing revenues (\$2.0 million).

## Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2015 Recommended Operating Budget for Facilities, Real Estate, Environment & Energy of \$189.210 million gross, \$65.319 million net for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Facilities Management:	120,662.6	69,779.0
Real Estate:	27,315.8	(27,807.1)
Environment & Energy:	41,232.0	23,347.2
Total Program Budget	<u>189,210.4</u>	<u>65,319.1</u>

2. City Council direct that the information contained in Confidential Attachment, remain confidential until the outcome of City Council's decision has been communicated to Unions and affected staff.
3. City Council approve the 2015 recommended service levels for Facilities, Real Estate, Environment & Energy as outlined on pages 17, 20, and 23 of this report, and associated staff complement of 1,007.5 positions.
4. City Council approve the 2015 recommended user fee changes above the inflationary adjusted rate for Facilities, Real Estate, Environment & Energy identified in Appendix 7a, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".

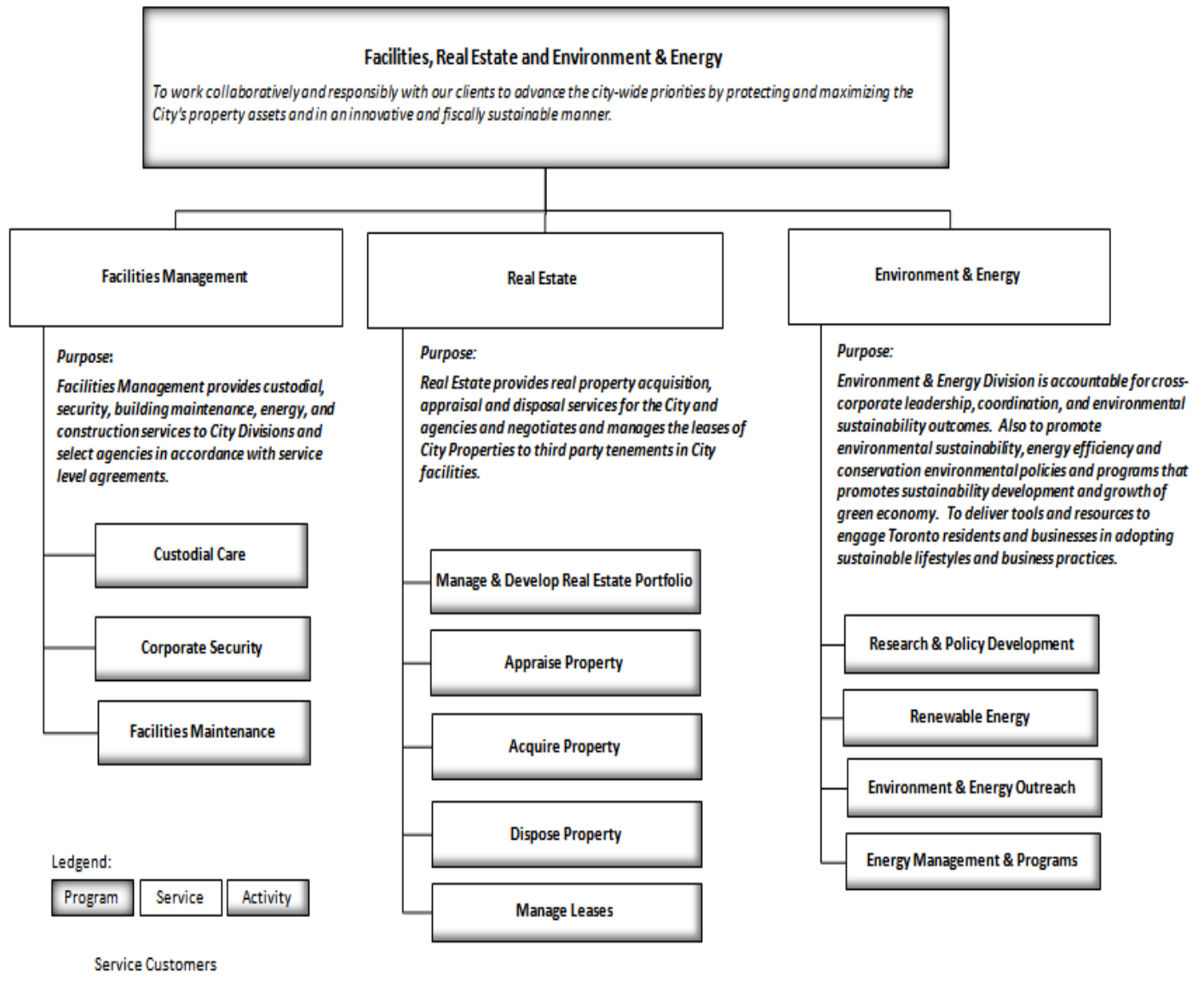


## **Part I:**

2015 – 2017

Service Overview and  
Plan

# Program Map



- Facilities Management**
- Visitors
  - Residents
  - City Employees
  - Agencies
  - City Divisions
  - Community Groups
  - Provincial & Federal Agencies
  - Residential/ Commercial Tenants

- Real Estate**
- Visitors
  - Residents
  - City Employees
  - Agencies
  - City Divisions
  - Community Groups
  - Provincial & Federal Agencies
  - Residential/ Commercial Tenants

- Environment & Energy**
- Residents
  - City Employees
  - Agencies
  - City Divisions
  - Provincial & Federal Agencies
  - Residential/ Commercial Tenants
  - Toronto Building Owners

## 2015 Service Deliverables

The 2015 Recommended Operating Budget of \$189.210 million gross and \$65.319 million net for Facilities, Real Estate, Environment & Energy will provide funding to:

- Maintain City facilities in a clean, safe, and accessible manner as per Council approved maintenance standards.
- Ensure the City's property portfolio is optimal and meets program requirements.
- Monitor and promote the use of standard facilities protocols under the Facilities Maintenance Standards within City programs.
- Conduct building conditions assessments on 20% of the building stock.
- Develop and implement Council priority capital projects including: Union Station, Nathan Phillips Square, Old City Hall and St Lawrence Market North.
- Fully utilize SAP facilities management functionality by implementing preventative maintenance capabilities.
- Reduce energy demand and greenhouse gases and increase use of renewable energy technologies and clean energy generation.
- Administer the Better Buildings Partnership Loan Repayment Reserve Fund.
- Ensure the waste diversion rate meets or exceeds the City target of 70% diversion.
- Acquire properties within the timeframes established and within 10% of appraised value.
- Identify properties surplus to the City's needs and dispose them at 90% or better of appraised value.
- Maximize lease revenue by negotiating optimal leasing arrangements.
- Develop and implement Council approved sustainability initiatives.

**Table 1**  
**2015 Recommended Operating Budget and Plan by Service**

(In \$000s)	2014		2015 Recommended Operating Budget					Incremental Change 2016 and 2017 Plan			
	Approved Budget	Projected Actual	2015 Rec'd Base	2015 Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec.d vs. 2014 Budget Approved Changes		2016		2017	
						\$	%	\$	%	\$	%
<b>By Service</b>	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
<b>Facilities Management</b>											
Gross Expenditures	118,344.8	116,599.7	120,662.6		120,662.6	2,317.7	2.0%	782.7	0.6%	33.2	0.0%
Revenue	49,617.4	47,080.0	50,883.6		50,883.6	1,266.2	2.6%			0.6	0.0%
<b>Net Expenditures</b>	<b>68,727.4</b>	<b>69,519.7</b>	<b>69,779.0</b>		<b>69,779.0</b>	<b>1,051.6</b>	<b>1.5%</b>	<b>782.7</b>	<b>1.1%</b>	<b>32.6</b>	<b>0.0%</b>
<b>Real Estate</b>											
Gross Expenditures	27,827.2	27,295.8	27,315.8		27,315.8	(511.3)	(1.8%)	75.6	0.3%	5.7	0.0%
Revenue	53,020.1	55,439.4	55,122.9		55,122.9	2,102.8	4.0%			0.4	0.0%
<b>Net Expenditures</b>	<b>(25,192.9)</b>	<b>(28,143.6)</b>	<b>(27,807.1)</b>		<b>(27,807.1)</b>	<b>(2,614.1)</b>	<b>10.4%</b>	<b>75.6</b>	<b>(0.3%)</b>	<b>5.3</b>	<b>(0.0%)</b>
<b>Environment &amp; Energy</b>											
Gross Expenditures	42,574.9	35,445.5	41,232.0		41,232.0	(1,342.9)	(3.2%)	115.7	0.3%	4.3	0.0%
Revenue	20,790.3	12,979.5	17,884.8		17,884.8	(2,905.5)	(14.0%)				
<b>Net Expenditures</b>	<b>21,784.6</b>	<b>22,466.0</b>	<b>23,347.2</b>		<b>23,347.2</b>	<b>1,562.6</b>	<b>7.2%</b>	<b>115.7</b>	<b>0.5%</b>	<b>4.3</b>	<b>0.0%</b>
<b>Gross Expenditures</b>	<b>188,746.9</b>	<b>179,341.0</b>	<b>189,210.4</b>		<b>189,210.4</b>	<b>463.5</b>	<b>0.2%</b>	<b>973.9</b>	<b>0.5%</b>	<b>43.2</b>	<b>0.0%</b>
<b>Revenue</b>	<b>123,427.8</b>	<b>115,498.9</b>	<b>123,891.3</b>		<b>123,891.3</b>	<b>463.5</b>	<b>0.4%</b>			<b>1.0</b>	<b>0.0%</b>
<b>Total Net Expenditures</b>	<b>65,319.1</b>	<b>63,842.1</b>	<b>65,319.1</b>		<b>65,319.1</b>	<b>0.0</b>	<b>0.0%</b>	<b>973.9</b>	<b>1.5%</b>	<b>42.2</b>	<b>0.1%</b>
<b>Approved Positions</b>	<b>1,004.5</b>	<b>962.6</b>	<b>1,007.5</b>		<b>1,007.5</b>	<b>3.0</b>	<b>0.3%</b>				

The Facilities, Real Estate, Environment & Energy's 2015 Recommended Total Operating Budget is \$189.210 million gross and \$65.319 million net, representing a 0% increase to the 2014 Approved Net Operating Budget and is in line with the Program target as set out in the 2015 Operating Budget Directions and Guidelines.

- Base pressures are mainly attributable to the cost of inflation in utilities in Environment & Energy Service and cost of living allowance increases for staff salaries and benefits common across all services.
- To help mitigate the above pressures, the Program was able to achieve service efficiency savings by streamlining maintenance functions and security services at various facilities within the Facilities Management Service and maximizing revenues from existing leases within the Real Estate Service.
- The 2016 and 2017 Plan increases are attributable to progression pay, step and associated benefits increases. No cost of living allowance is included due to 2016 being the year in which the next cycle of collective bargaining begins.

Approval of the 2015 Recommended Operating Budget will result in Facilities, Real Estate, Environment & Energy increasing its total staff complement by 3.0 positions from 1,004.5 to 1,007.5, as highlighted in the table on the following page:



**Table 2**  
**2015 Recommended Total Staff Complement**

Changes	2015 Budget				Plan	
	Facilities Management	Real Estate	Environment & Energy	Total	2016	2017
<b>2014 Approved Complement</b>	731.3	87.4	61.0	879.7	1,007.5	1,007.5
In-year Adjustments	124.8			124.8		
<b>Adjusted 2014 Staff Complement</b>	<b>856.1</b>	<b>87.4</b>	<b>61.0</b>	<b>1,004.5</b>	<b>1,007.5</b>	<b>1,007.5</b>
<b>Recommended Change in Staff Complement:</b>						
Capital Project Delivery	(2.0)			(2.0)		
Base Changes	10.0		2.0	12.0		
Service Changes	(5.0)		(2.0)	(7.0)		
Conversion from Temporary to Permanent:						
3 Property Officer 2						
3 Facilities Planning Specialists						
<b>Total</b>	<b>859.1</b>	<b>87.4</b>	<b>61.0</b>	<b>1,007.5</b>	<b>1,007.5</b>	<b>1,007.5</b>
<b>Position Change over prior year</b>	<b>3.0</b>			<b>3.0</b>		
<b>% Change over prior year</b>	<b>0.4%</b>			<b>0.3%</b>		

The Program's total staff complement will increase by 0.3% or 3.0 positions primarily as a result of the following changes:

- Capital Project Delivery:
  - 2.0 capital funded temporary positions, including a Supervisor, Operations which supported SAP preventive maintenance and business integration projects and a Senior SAP Business Systems Analyst in support of FPARS and SAP work order modules, are no longer required to support capital project delivery in 2015.
- Base changes:
  - A permanent Security Guard is added to the Corporate Security unit under Facilities Management to manage the City-wide day-to-day security card access and identification program including card production, programming requests and replacement of lost/defective cards as there is no budgeted complement to support these activities. Programming of access cards is currently completed by Security Guards on modified duties, or those who are not actively engaged in the regular duties, which is insufficient to meet demand for these services.
  - Corporate Security has historically budgeted for casual part-time positions as a lump sum rather than as individual positions. These positions include 2.0 temporary Senior Security Guards and 2.0 permanent Supervisors who currently provide 24/7 operation requirements at various sites for Solid Waste Management Services, Transportation Services, Long-Term Care Homes & Services, Emergency Medical Services and Toronto Fire Services. It is recommended that these employees be budgeted as individual positions as part of the complement data clean up, which will increase the complement by 4.0 with no financial impact as the salaries and benefits for these positions will be funded through the budget reallocation from contracted services within the Corporate Security unit within the 2015 Recommended Operating Budget.

- As part of the Facilities Transformation Project, 5.0 permanent FTEs are recommended to be transferred to the Corporate Security unit from Parks, Forestry and Recreation, responsible for marine security. Facilities Management is the corporate body which is responsible for setting the standards for ensuring all City-owned facilities are operated and maintained in a consistent manner that meets operational needs and protects the City's assets. Expenses related to the salaries and benefits and operating costs for the 5 FTEs will be funded by the complement as well as budget transfer from Parks, Forestry and Recreation, thus resulting in no budgetary impact to the City.
- 2.0 permanent positions have been added, along with existing internal resources, to provide in-house technical expertise, implement the Climate Change Risk Management Policy, assist City Programs & Agencies in the identification of climate change risks and developing plans to manage and address those risks as part of the "Resilient City – Preparing for a Changing Climate" initiative, approved by Council in July 2014.
- Service Changes:
  - Included in the service change adjustments is the deletion of 7.0 permanent positions (2.0 Heavy Duty Cleaners, 0.5 Support Assistant B, 0.5 Handy Worker, a Facilities Construction Coordinator and a Senior Security Co-Ordinator at Union Station under Facilities Management); and 2.0 administrative positions under Environment & Energy as part of the service efficiency changes resulting in savings.
- Conversion of 6.0 Positions from Temporary to Permanent within Real Estate Services:
  - The roles and responsibilities of 3.0 temporary Facilities Planning Specialists, which were approved by City Council during the 2012 Budget process to carry out Council directed audits on all City-owned properties, have advanced beyond audits of real estate and implementation of the recommendations resulting from the audits. These positions perform detailed planning review, site visits and analysis and compile information on City properties from various sources in order for senior management and the Property Management Committee to make informed decisions. There is no financial impact arising from these conversions as the budget for these positions are part of the current Council Approved Complement for Real Estate Services.
  - The conversion of the 3.0 Property Officer 2 positions from temporary to permanent is recommended in order to better reflect the continued need for the positions, which provide support to day-to-day real estate activities and legislative requirements for barrier free access in all TTC stations. These functions have proven to be required on an ongoing basis, and the conversion will also help retain qualified trained staff.

The 2015 Recommended Operating Budget includes base expenditure pressures of \$4.892 million net, primarily attributable to salary and non-salary inflationary increases which have been partially offset by \$3.741 million net in recommended base revenue adjustments as detailed in the table on the following page:

**Table 3**  
**Key Cost Drivers**

(In \$000s)	2015 Recommended Operating Budget			Total Rec'd 2015 Base Budget
	Facilities Management	Real Estate	Environment & Energy	
<b>Gross Expenditure Changes</b>				
<b>Economic Factors</b>				
Inflationary Increases for Contracts	543.8	304.8		848.5
Inflationary Increases for Utilities			1,620.0	1,620.0
<b>COLA and Progression Pay</b>				
COLA/Progression Pay/Step & Benefit Increases	1,266.1	274.1	469.2	2,009.4
<b>Other Base Changes</b>				
Maintain the 2014 Approved Gapping Rate	(250.9)		(26.3)	(277.2)
Corporate Security Access Staffing	58.3			58.3
Facilities Transformation Project	114.6			114.6
Utilities Correction From Toronto Water			268.0	268.0
Resilient City (Incremental)			250.4	250.4
<b>Total Gross Expenditure Changes</b>	<b>1,731.9</b>	<b>578.9</b>	<b>2,581.2</b>	<b>4,892.0</b>
<b>Revenue Changes</b>				
Adjustments to Inter-Divisional Recoveries and Reserve Funds	(481.1)	1,178.9	942.8	1,640.6
Increased Leasing Revenues		2,000.0		2,000.0
Increased User Fee -Parkland Levy Appraisal		100.0		100.0
<b>Total Revenue Changes</b>	<b>(481.1)</b>	<b>3,278.9</b>	<b>942.8</b>	<b>3,740.6</b>
<b>Net Expenditure Changes</b>	<b>2,213.0</b>	<b>(2,700.0)</b>	<b>1,638.4</b>	<b>1,151.4</b>

Key cost drivers for Facilities, Real Estate, Environment & Energy are discussed below:

- Economic Factors - Inflationary increases are subject to the multi-year contractual agreements with vendors for the procurement of goods and services as well as increasing utility rates.
- COLA and Progression Pay - The contractually obligated increases of 2.25% for cost of living allowance, progression pay for union and management staff, and associated fringe benefit adjustments result in an increase in staff salaries and benefits common across all services.
- Other Base Changes:
  - Maintaining Gapping Rate - Gapping represents the amount of potential reduction in the requirement for salary and benefit dollars as a result of vacant positions not intended to be filled and unplanned or anticipated employee turnover. A reduction mainly in Facilities Management Service is required in order to maintain, at a minimum, the budgeted gapping rate as approved in the 2014 Operating Budget.
  - Corporate Security Access Staffing - One permanent Security Guard has been added to Facilities Management Service to manage the day-to-day City-wide security card access and identification program including card production, programming requests and replacement of lost/defective cards.
  - Facilities Transformation Project - A temporary Research Analyst position has been repurposed into a temporary Project Coordinator position for 2 years ending in 2016. This complement change involves the elimination of the capital funding associated with the Research Analyst position, which is no longer applicable. The Project Coordinator will assist with the Facilities Transformation Project, Shared Services Project and various other tasks that are assigned to Quality Assurance unit within Facilities Management Service.

- Utilities Adjustment - Phase 2 adjustment of utility charges from Toronto Water (Rate Supported Program) will result in an additional utility cost to be charged to the Environment & Energy Service for shared yards mainly occupied by Fleet Services, Purchasing & Materials Management Division (PMMD) and Policy, Planning, Finance & Administration (PPF&A).
- Resilient City – Two net new permanent positions have been added to support the Environment & Energy Service in leading the implementation of the Climate Change Risk Management Policy and to assist City Programs & Agencies in the identification of climate change risks and in the development of plans to manage and address those risks as part of the "Resilient City – Preparing for a Changing Climate" initiative directed by City Council for consideration in July 2014. The remaining resources required for this initiative will be identified within the existing complement and budget of the Environment & Energy Service by prioritizing existing services and dedicating existing resources to the Resilient City initiative.
- Revenue Changes:
  - Adjustments to reserve fund draws and inter-divisional recoveries are required to recover the inflationary increases for staff salaries and benefits, utilities, contracts, as well as changes in operational requirements in the delivery of services for City Programs and Agencies, and Union Station.
  - The Leasing and Site Management unit within the Real Estate Service is continually researching and establishing new locations and opportunities to generate new or increased leasing revenues. Based on these activities, it is anticipated that Real Estate Services will generate additional leasing revenues of \$2.0 million in 2015.
  - The Property Appraisal Unit within the Real Estate Service is adjusting its appraisal fee revenues for parkland levy to reflect actual experience resulting from the change of the appraisal fee limit from \$6,000 to \$8,000, which was approved by City Council during the 2014 Budget process.

In order to offset the above net pressures, the 2015 recommended service changes for Facilities, Real Estate, Environment & Energy consists of service efficiency savings of \$0.315 million net and service level changes within the Program's baseline standards of \$0.837 million net, for a total of \$1.151 million net as detailed below.

**Table 4**  
**2015 Total Recommended Service Change Summary**

Description (\$000s)	2015 Recommended Service Changes						Total Rec'd Service			Incremental Change			
	Facilities Management		Real Estate		Environment & Energy		\$	\$	#	2016 Plan		2017 Plan	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
<b>Service Efficiencies</b>													
<i>Custodial Services Efficiencies</i>	(238.7)	(238.7)					(238.7)	(238.7)	(3.0)				
<i>Environmental Program Support Efficiencies</i>					(222.1)	(75.9)	(222.1)	(75.9)	(2.0)				
<i>Streamline Building Maintenance Functions</i>	(588.7)	(588.7)					(588.7)	(588.7)					
<i>Corporate Security Efficiencies</i>	(246.4)	(246.4)		85.8			(246.4)	(160.6)	(1.0)				
<i>Capital Project Management Efficiencies</i>	(87.6)	(87.6)					(87.6)	(87.6)	(1.0)				
<b>Total Service Efficiencies</b>	(1,161.4)	(1,161.4)		85.8	(222.1)	(75.9)	(1,383.5)	(1,151.4)	(7.0)				

**Service Efficiencies (Savings of \$1.384 million gross & \$1.151 million net)**

- Custodial Services Efficiencies - The reduction in the number of permanent vacant positions within the Facilities Management Service includes 2 Heavy Duty Cleaners and 0.5 Handy Worker responsible for Nathan Phillips Square and David Pecaut Square and 0.5 Support Assistant B responsible for coordinating summer student hiring. These activities can be absorbed within the existing complement, with minimal impact to service levels.
- Environmental Program Support Efficiencies (Confidential) – The Environment & Energy Service has identified two administrative support positions whose functions are either not required or can be absorbed based on current requirements and actual experience of certain environmental program uptake and availability. Details are presented in Confidential Attachment under separate cover.
- Streamlining Building Maintenance Functions – The Facilities Management Service will streamline maintenance functions at various facilities (both demand and preventive nature) while maintaining a baseline level of service in an effort to achieve budgetary savings. In addition, a review of historical spending versus budget amounts for administrative functions within the Facilities Operations allowed for a reduction in this area. These budget reductions will have minimal impact on service levels.
- Corporate Security Efficiencies - Corporate Security will reduce a permanent vacant Senior Security Coordinator at Union Station and contracted security services at 1050 Ellesmere:
  - The reduction of a Senior Security Coordinator at Union Station will reduce management oversight and coordination during off-peak hours at the Station. This will be offset by improved coordination of security services across all parties providing security services at the Station to ensure it remains safe and secure at all times for public use. These savings reduce the amount of funding required from the Union Station reserve to support ongoing operations at the Station.
  - Contracted security services at 1050 Ellesmere currently provide a security and access control function preventing unauthorized vehicles and visitors from gaining access into the facility / yard, which is occupied by Transportation Services, Purchasing and Materials Management Division (PMMD) Stores and Solid Waste Management Services. With the reduction of this service, authorized personnel can access the premises by entering codes through key pads.

- Capital Project Management Efficiencies - The reduction of a permanent vacant Facilities Construction Coordinator will require greater oversight of construction projects by existing management staff to ensure proper project co-ordination. This will minimize the impact of this reduction.

Approval of the 2015 Recommended Budget for Facilities, Real Estate, Environment & Energy will result in a 2016 incremental net cost of \$2.812 million and a 2017 incremental net cost of \$0.042 million to maintain the 2015 service levels, as discussed in the following section:

**Table 5**  
**2016 and 2017 Plan by Program**

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
<b>Known Impacts:</b>										
Progression Pay, Step and Fringe Benefit Increases	873.4		873.4	1.3%		28.2	1.0	27.2	0.0%	
Operating Impacts of Capital	70.0		70.0	0.1%		15.0		15.0	0.0%	
Interdivisional Charges	30.5		30.5	0.0%						
<b>Total Incremental Impact</b>	<b>973.9</b>		<b>973.9</b>	<b>1.5%</b>		<b>43.2</b>	<b>1.0</b>	<b>42.2</b>	<b>0.1%</b>	

Future year incremental costs are primarily attributable to the following:

**Known Impacts**

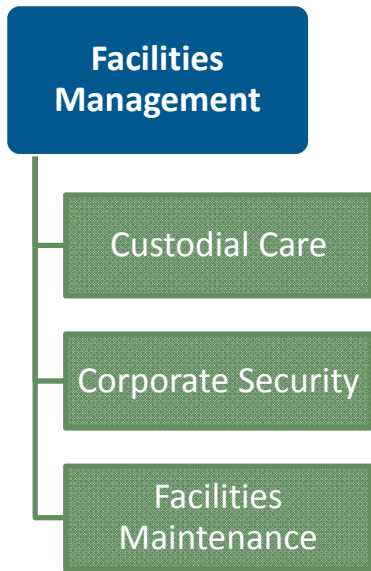
- Future year incremental costs include progression pay and step increases. No cost of living allowance is included due to 2016 being the year in which the next cycle of collective bargaining begins.
- Funding of \$0.030 million for ongoing sustainment costs for the Closed Circuit Television (CCTV) Infrastructure Enhancement to bring security conditions to the level of current and anticipated requirements and standards, as well as \$0.040 million for security and safety systems sustainment as part of the Global Corporate Security Program, for a total of \$0.070 million in 2016 and incremental costs of \$0.015 million in 2017.



## **Part II:**

2015 Recommended  
Budget by Service

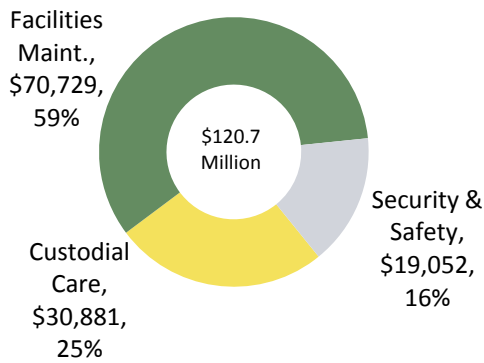
### Facilities Management



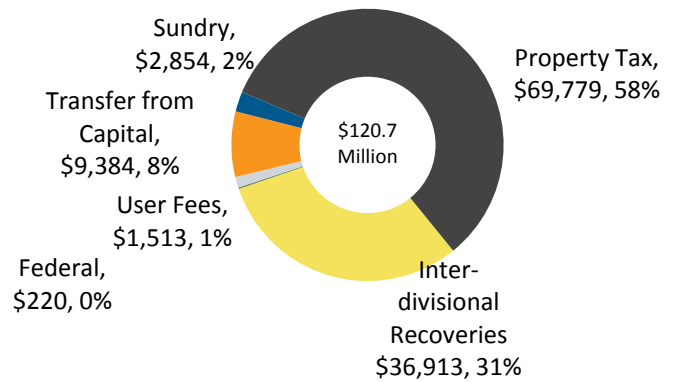
#### What We Do

- Provide leadership and stewardship of the City's facilities with a commitment to best practices incorporating environmental, social and economic principles.
- Provide routine maintenance, custodial care, security, and construction activities for City Programs and Agencies in accordance with service level agreements.
- Ensure facilities are safe, accessible and available to deliver programs and services by employing facility maintenance standards, life cycle planning and building condition assessments.

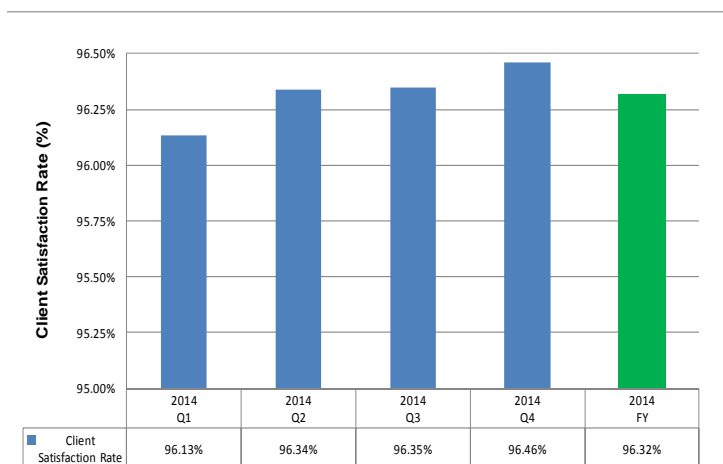
#### 2015 Service Budget by Activity (\$000s)



#### Service by Funding Source (\$000s)



#### Facilities Work Order Request Client Satisfaction Rates



- Overall client satisfaction rates are based on results from surveys completed by staff who have submitted requests for maintenance services through the service request system (338-FRED).
- Facilities Management began tabulating these results commencing in 2014 on a quarterly basis to gauge the level of service and satisfaction clients are receiving from the work performed, which is aligned with an overall direction to strive for Excellence in Customer Service.
- Facilities Management are still in the process of refining and finalizing performance measures for future years that are aligned with the goals and direction of the organization.



**2015 Service Levels  
Facilities Management**

Activity	Sub-Activity/Type	Status	Approved Service Levels			Recommended
			2012	2013	2014	2015
Custodial Care	Cleaning Services for City Run Programs	Approved		90% Compliance		90% Compliance
	Cleaning Services for Non City Run Programs	Approved		90% Compliance		90% Compliance
Corporate Security	Divisional Security Plan Assessments	Approved		95% Compliance		Discontinued
	Divisional Security Plan Implementations	Approved		95% Compliance		Discontinued
	Resolve Security Threats	Approved		95% Compliance		Discontinued
	% of Corporate Security Projects Completed on Budget/Time	New		N/A		80%
	% of Change in Number of Security Incidents	New		N/A		1.5%
Facilities Maintenance	Scheduled Maintenance - Preventative	Approved		95% Compliance		95% Compliance
	Scheduled Maintenance - On Demand	Approved		90% Compliance		90% Compliance
	Asset Facility Management / Preservation	Approved		90% Compliance		90% Compliance
	Environmental Assessments	Approved		95% Compliance		95% Compliance
	Regulatory Compliance	Approved		100% Compliance		100% Compliance

The 2015 Recommended Service Levels for Custodial Care and Facilities Maintenance are consistent with the approved 2014 Service Levels. Technical adjustments have been made to the Corporate Security activity to replace the existing with two new sub-activities to better represent its service level commitments.

**Table 6**

**2015 Recommended Service Budget by Activity**

(\$000s)	2014		2015 Recommended Operating Budget						Incremental Change					
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget		Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget		2016 Plan		2017 Plan	
					% Change	%			%	%	\$	%	\$	%
<b>GROSS EXP.</b>														
Custodial Care	16,783.1	30,991.7	(110.2)	30,881.4	14,098.4	84.0%		30,881.4	14,098.4	84.0%	95.0	0.3%	5.3	0.0%
Facilities Maintenance	83,496.9	71,533.7	(804.8)	70,729.0	(12,768.0)	(15.3%)		70,729.0	(12,768.0)	(15.3%)	347.6	0.5%	17.5	0.0%
Security & Safety	18,064.8	19,298.6	(246.4)	19,052.2	987.3	5.5%		19,052.2	987.3	5.5%	340.1	1.8%	10.3	0.1%
<b>Total Gross Exp.</b>	<b>118,344.8</b>	<b>121,824.0</b>	<b>(1,161.4)</b>	<b>120,662.6</b>	<b>2,317.7</b>	<b>2.0%</b>		<b>120,662.6</b>	<b>2,317.7</b>	<b>2.0%</b>	<b>782.7</b>	<b>0.6%</b>	<b>33.2</b>	<b>0.0%</b>
<b>REVENUE</b>														
Custodial Care	11,200.9	10,954.3		10,954.3	(246.6)	(2.2%)		10,954.3	(246.6)	(2.2%)				
Facilities Maintenance	32,326.9	33,050.8		33,050.8	723.9	2.2%		33,050.8	723.9	2.2%			0.6	0.0%
Security & Safety	6,089.6	6,878.5		6,878.5	788.8	13.0%		6,878.5	788.8	13.0%				
<b>Total Revenues</b>	<b>49,617.4</b>	<b>50,883.6</b>		<b>50,883.6</b>	<b>1,266.2</b>	<b>2.6%</b>		<b>50,883.6</b>	<b>1,266.2</b>	<b>2.6%</b>			<b>0.6</b>	<b>0.0%</b>
<b>NET EXP.</b>														
Custodial Care	5,582.2	20,037.4	(110.2)	19,927.1	14,344.9	257.0%		19,927.1	14,344.9	257.0%	95.0	0.5%	5.3	0.0%
Facilities Maintenance	51,170.0	38,482.9	(804.8)	37,678.1	(13,491.9)	(26.4%)		37,678.1	(13,491.9)	(26.4%)	347.6	0.9%	16.9	0.0%
Security & Safety	11,975.2	12,420.1	(246.4)	12,173.7	198.5	1.7%		12,173.7	198.5	1.7%	340.1	2.8%	10.3	0.1%
<b>Total Net Exp.</b>	<b>68,727.4</b>	<b>70,940.4</b>	<b>(1,161.4)</b>	<b>69,779.0</b>	<b>1,051.6</b>	<b>1.5%</b>		<b>69,779.0</b>	<b>1,051.6</b>	<b>1.5%</b>	<b>782.7</b>	<b>1.1%</b>	<b>32.6</b>	<b>0.0%</b>
<b>Approved Positions</b>	<b>856.1</b>	<b>864.1</b>	<b>(5.0)</b>	<b>859.1</b>	<b>3.0</b>	<b>0.4%</b>		<b>859.1</b>	<b>3.0</b>	<b>0.4%</b>				

The **Facilities Management Service** provides routine maintenance, custodial care, security, and construction activities for City Programs and Agencies in accordance with service level agreements.

The Facilities Management Service's 2015 Recommended Operating Budget of \$120.663 million gross and \$69.779 million net is \$1.052 million or 1.5% over the 2014 Approved Net Budget. The 2015 Recommended Budget includes reallocations of funding between activities to accurately reflect budgets by service and activity, with net zero impact to Facilities Management Service.

- The contractually obligated increases of 2.25% cost of living allowance, progression pay for union and management staff, and associated fringe benefit adjustments common among all activities result in an increase of \$1.266 million in salaries and benefits. These increases are partially offset

by a reduction of \$0.251 million in order to maintain, at a minimum, the budgeted gapping percentage as approved in the 2014 Operating Budget.

- Inflationary increases of \$0.544 million to reflect the multi-year contractual agreements with vendors for the procurement of goods and services for Custodial Care and Facilities Maintenance.
- A new resource has been added to Corporate Security to manage City-wide the day-to-day security card access and identification program including card production, programming requests and replacement of lost/defective cards, at a cost of \$0.058 million.
- A temporary Research Analyst position has been repurposed into a temporary Project Coordinator position for 2 years ending in 2016 at a cost of \$0.115 million. This complement change involves the elimination of capital funding associated with the Research Analyst position. A Project Coordinator will assist with the Facilities Transformation Project, Shared Services Project and various other tasks that are assigned to Quality Assurance unit within Facilities Maintenance.
- Reduced interdivisional recoveries in the amount of \$0.481 million to reflect the changes in operational requirements in the delivery of Facilities Maintenance and Custodial Services for City Programs and Agencies.

In order to offset the above pressures, the 2015 recommended service changes for Facilities Management consists of service efficiency savings of \$0.239 million and service level changes of \$0.923 million, as detailed below:

- Efficiency savings of \$0.239 million due to reductions of a number permanent vacant positions within Facilities Operations including 2 Heavy Duty Cleaners and 0.5 Handy Worker for Nathan Phillips Square and David Pecaut Square and 0.5 Support Assistant B responsible for coordinating the hiring of summer students. These functions can be absorbed within the existing complement of Custodial Care and Facilities Maintenance, thus resulting in minimal impact on service levels.
- Efficiency savings of \$0.589 million within Facilities Maintenance, to be realized by streamlining facilities maintenance functions at various facilities within baseline standards. Furthermore, budgets for administration functions within Facilities Maintenance can be reduced based on historical spending in this area.
- Efficiency savings of \$0.246 million within Corporate Security as a result of a reduction of a permanent vacant Senior Security Coordinator at Union Station and a contracted security services at 1050 Ellesmere.
- Efficiency savings of \$0.088 million in relation to the reduction of a permanent Facilities Construction Coordinator within Facilities Maintenance (Facilities Design and Construction unit).

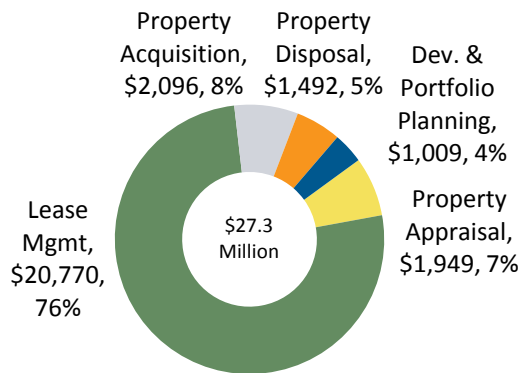
# Real Estate



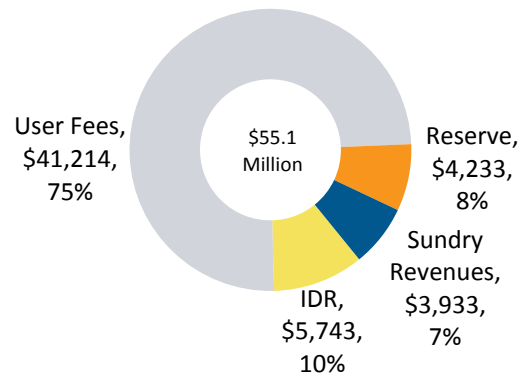
## What We Do

- Provides property appraisal, negotiation, acquisition and disposal services for City Programs and Agencies to ensure the City's Real Estate portfolio represents a strategic asset mix that reflects program and stakeholders needs.
- Provide routine lease administration and manage leases of City properties with third party tenants.
- Maximize lease revenues by regularly reviewing the City's building portfolio and current market rates, negotiating optimal leasing arrangements and identifying target properties for acquisition or disposal to ensure the City's building portfolio is optimal.

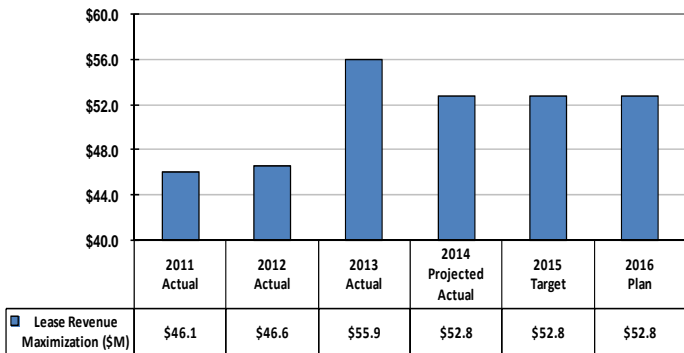
## 2015 Service Budget by Activity (\$000s)



## Service by Funding Source (\$000s)



## Lease Revenue Maximization



- This measure demonstrates the revenue generation maximized for the lease of properties. The increases in 2012 and 2013 were related to new leases, lease adjustments and renewals.
- The 2013 was greater despite reversals of lease revenue and transfer of properties to Build Toronto as Union Station revenue was higher than forecast.
- Revenues are expected to level off for the next few years due to ongoing construction at Union Station and the continued review of the Real Estate portfolio to identify properties for transfer to Build Toronto or sale.

2015 Service Levels

Real Estate

Activity	Sub-Activity/Type	Status	Approved Service Levels			Recommended
			2012	2013	2014	2015
Development and Portfolio Planning	Review Propoerty Portfolio	Approved	100% Compliance			100% Compliance
Property	Properties Appraised	Approved	90% Compliance			90% Compliance
Property Acquisition	Real Estate Acquisitions and Expropriations	Approved	80% Compliance			80% Compliance
Property Disposal	Real Estate Disposal - Market Rates	Approved	100% Compliance			100% Compliance
Lease Management	Property Leasing	Approved	95% Compliance			95% Compliance
	Negotiate New Leases	Approved	95% Compliance			95% Compliance
	Renew Leases	Approved	95% Compliance			95% Compliance
	Terminate Leases	Approved	100% Compliance			100% Compliance
	Lease Payments	Approved	100% Compliance			100% Compliance
	Receive Lease Revenue	Approved	95% Compliance			95% Compliance
	Property Assessment Review	Approved	100% Compliance			100% Compliance
	Property Assessment Savings & Revenues	Approved	100% Compliance			100% Compliance

The 2015 Recommended Service Levels are consistent with the 2014 Approved Service Levels. The purpose of this service is to provide real property acquisition, appraisal, and disposal services for the City Programs and Agencies and negotiates and manages the lease of City properties to third party tenants.

Table 7

2015 Recommended Service Budget by Activity

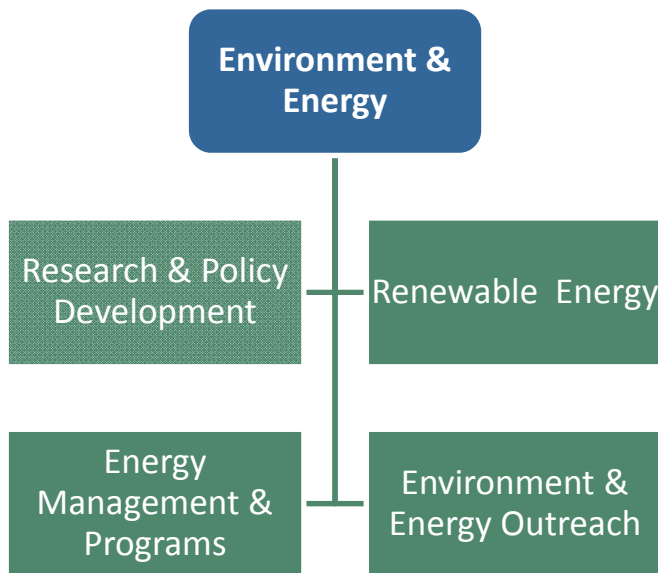
(\$000s)	2014		2015 Recommended Operating Budget						2015 Rec'd Budget vs. 2014 Budget		Incremental Change				
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget	2016 Plan	2017 Plan				
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	%	\$	%	
<b>GROSS EXP.</b>															
Property Appraisal	1,957.4	1,949.4		1,949.4	(8.0)	(0.4%)		1,949.4	(8.0)	(0.4%)	19.9	1.0%	1.0	0.1%	
Lease Management	17,344.6	20,770.0		20,770.0	3,425.4	19.7%		20,770.0	3,425.4	19.7%	7.9	0.0%	1.7	0.0%	
Property Acquisition	6,122.4	2,096.0		2,096.0	(4,026.4)	(65.8%)		2,096.0	(4,026.4)	(65.8%)	27.0	1.3%	1.4	0.1%	
Property Disposal	1,444.2	1,491.7		1,491.7	47.4	3.3%		1,491.7	47.4	3.3%	8.0	0.5%	0.2	0.0%	
Development & Portfolio Planning	958.5	1,008.7		1,008.7	50.3	5.2%		1,008.7	50.3	5.2%	12.7	1.3%	1.4	0.1%	
<b>Total Gross Exp.</b>	<b>27,827.2</b>	<b>27,315.8</b>		<b>27,315.8</b>	<b>(511.3)</b>	<b>(1.8%)</b>		<b>27,315.8</b>	<b>(511.3)</b>	<b>(1.8%)</b>	<b>75.6</b>	<b>0.3%</b>	<b>5.7</b>	<b>0.0%</b>	
<b>REVENUE</b>															
Property Appraisal	552.8	652.8		652.8	100.0	18.1%		652.8	100.0	18.1%			0.1	0.0%	
Lease Management	51,245.3	53,359.0	(85.8)	53,273.1	2,027.8	4.0%		53,273.1	2,027.8	4.0%			0.3	0.0%	
Property Acquisition	676.9	651.9		651.9	(25.0)	(3.7%)		651.9	(25.0)	(3.7%)			0.1	0.0%	
Property Disposal	545.0	545.0		545.0				545.0							
Development & Portfolio Planning															
<b>Total Revenues</b>	<b>53,020.1</b>	<b>55,208.7</b>	<b>(85.8)</b>	<b>55,122.9</b>	<b>2,102.8</b>	<b>4.0%</b>		<b>55,122.9</b>	<b>2,102.8</b>	<b>4.0%</b>			<b>0.4</b>	<b>0.0%</b>	
<b>NET EXP.</b>															
Property Appraisal	1,404.5	1,296.6		1,296.6	(108.0)	(7.7%)		1,296.6	(108.0)	(7.7%)	19.9	1.5%	1.0	0.1%	
Lease Management	(33,900.7)	(32,588.9)	85.8	(32,503.1)	1,397.6	(4.1%)		(32,503.1)	1,397.6	(4.1%)	7.9	0.0%	1.4	(0.0%)	
Property Acquisition	5,445.5	1,444.1		1,444.1	(4,001.4)	(73.5%)		1,444.1	(4,001.4)	(73.5%)	27.0	1.9%	1.4	0.1%	
Property Disposal	899.2	946.7		946.7	47.4	5.3%		946.7	47.4	5.3%	8.0	0.8%	0.2	0.0%	
Development & Portfolio Planning	958.5	1,008.7		1,008.7	50.3	5.2%		1,008.7	50.3	5.2%	12.7	1.3%	1.4	0.1%	
<b>Total Net Exp.</b>	<b>(25,192.9)</b>	<b>(27,892.9)</b>	<b>85.8</b>	<b>(27,807.1)</b>	<b>(2,614.1)</b>	<b>10.4%</b>		<b>(27,807.1)</b>	<b>(2,614.1)</b>	<b>10.4%</b>	<b>75.6</b>	<b>(0.3%)</b>	<b>5.3</b>	<b>(0.0%)</b>	
Approved Positions	87.4	87.4		87.4				87.4							

The **Real Estate Service** focuses on the provision of routine lease administration, acquisitions, disposals, property negotiations and appraisals to ensure the City's real estate assets represent a strategic portfolio mix reflecting City's Programs and Agencies and stakeholder needs.

The 2015 Recommended Operating Budget for Real Estate of \$27.316 million gross and \$27.807 million of net revenues is \$2.614 million or 10.4% under the 2014 Approved Net Budget. The 2015 Recommended Budget includes reallocations of funding between activities to accurately reflect budgets by service and activity, making corrections to previous year totals, with net zero impact to this service.

- The year over year net decrease is mainly from increased contributions of \$1.093 million from the Union Station Reserve Fund required to offset inflationary increases for staff salaries and benefits, utilities, contracted services and facilities maintenance requirements, as well as loss of revenues at Union Station under Lease Management.
  - Loss of revenues is expected in 2015 due to the ongoing construction as part of the Union Station Revitalization project. Staff are reviewing plans to minimize the impact from ongoing construction on revenues and the overall operation of the Station.
- Additional leasing revenues of \$2.000 million from long-term lease renewals under Lease Management and an increase to appraisal fee revenues of \$0.100 million under Property Appraisal to reflect the actual experience as a result of the change of the parkland levy limit from \$6,000 to \$8,000 approved by City Council during the 2014 Budget process.
- These additional revenues will offset the contractually obligated cost of living allowance and progression pay for staff salaries and benefits and inflationary increases for contracts, for a total of \$0.579 million, common across all activities within the service.

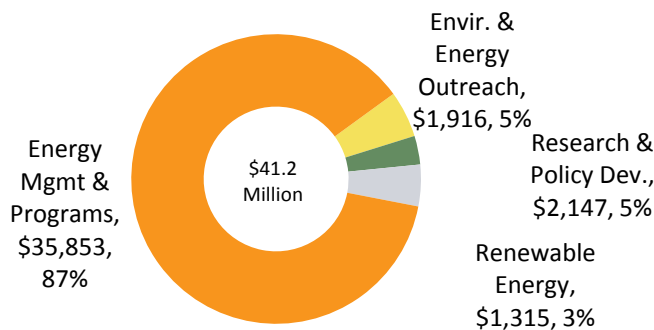
## Environment & Energy



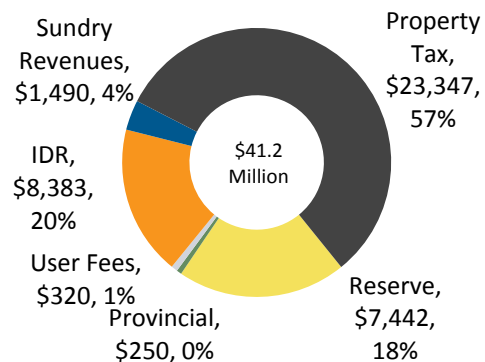
### What We Do

- Provide cross-corporate leadership and coordination of activities to achieve sustainable environment and energy outcomes.
- Lead the development and implementation of innovative environmental and energy policies and programs to help reduce greenhouse gas emissions, facilitate energy conservation and demand management and ensure security of the energy supply.
- Inspire citizens, businesses, and other stakeholders to make Toronto North America's most environmentally sustainable city.
- Build a Resilient City by delivering tools and resources to engage residents and businesses in adopting sustainable lifestyles and practices.

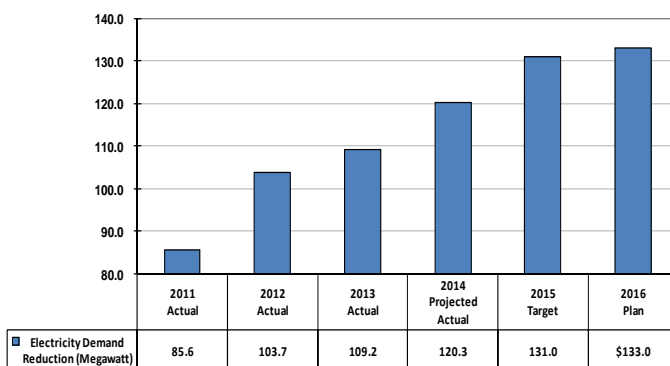
### 2015 Service Budget by Activity (\$000s)



### Service by Funding Source (\$000s)



### Electricity Demand Reduction (Megawatt)



- This graph represents cumulative amounts. Since 2011, there has been reduction in electricity demand every year.
- A goal of the Environment and Energy Division (EED) is to reduce electricity demand in Toronto by 133 megawatts by 2016, focusing on energy inefficient buildings and infrastructure, and encouraging stakeholders to reduce energy consumption through planned efficiencies and effective communication strategies. The EED continues to trend towards achieving this goal.

### 2015 Service Levels Environment & Energy

Activity	Sub-Activity/Type	Status	Approved Service Levels			Recommended 2015
			2012	2013	2014	
Research & Policy Development	Energy Supply Agreements	Approved	Uninterrupted utility service as a result of contracting 100% of the time			Uninterrupted utility service as a result of contracting 100% of the time
	Energy Retrofits	Approved	Savings of up to 25% of building energy use			Savings of up to 25% of building energy use
Renewable Energy Office	Renewable Energy	Approved	2.0 million kW.h generated and related revenues created	2.6 million kW.h generated and related revenues created	<b>3.8 million kW.h generated and related revenues created</b>	
Environment & Energy Outreach	Administer Loan Programs	Approved	100% loan repayments are received on time with no defaults			100% loan repayments are received on time with no defaults
	Funding Agreements	Approved	Average 22 Megawatt per year			<b>Average 10 Megawatt per year (as per contract)</b>
Energy Management & Programs	Waste Management	Approved	N/A	Grow Corporate diversion rate beyond current 70% level	Grow Corporate diversion rate beyond current 70% level	

#### Recommended Service Level Changes

- For the Renewable Energy activity, an increase from 2.6 million to **3.8 million kW.h** generation target and related revenue creation will be aided by the requirement under the City of Toronto Green Standards policy for renewable energy systems to be installed on City-owned buildings thus creating economic and environmental benefits and increased energy security to the City of Toronto.
- Effective 2015, the City of Toronto will lower its target for energy demand reduction from an average of 22 Megawatts to **10 Megawatts** per year through the Better Buildings Partnership Program based on the contract stipulated between the City of Toronto and Toronto Hydro. The decrease is in turn based on targets set by the Ontario Power Authority as a component of the overall province-wide target.

**Table 8**  
**2015 Recommended Service Budget by Activity**

(\$000s)	2015 Recommended Operating Budget										Incremental Change			
	2014	2015 Rec'd					2015 Rec'd		2015 Rec'd		2016 Plan		2017 Plan	
	Approved Budget	Base Budget	Rec'd Service Changes	2015 Rec'd Base	Rec'd Base Budget vs. 2014 Budget	% Change	Rec'd New/Enhanced	2015 Rec'd Budget	2015 Rec'd Budget vs. 2014 Budget	2016 Plan	2017 Plan	2016 Plan	2017 Plan	
<b>GROSS EXP.</b>														
Research & Policy Development	2,217.1	2,147.2		2,147.2	(69.9)	(3.2%)		<b>2,147.2</b>	(69.9)	(3.2%)	19.8	0.9%	0.7	0.0%
Renewable Energy	1,357.8	1,315.0		1,315.0	(42.8)	(3.2%)		<b>1,315.0</b>	(42.8)	(3.2%)	13.1	1.0%	0.5	0.0%
Environment & Energy Outreach	1,978.7	1,916.3		1,916.3	(62.4)	(3.2%)		<b>1,916.3</b>	(62.4)	(3.2%)	10.6	0.6%	0.3	0.0%
Energy Management & Programs	37,021.2	36,075.5	(222.1)	35,853.5	(1,167.8)	(3.2%)		<b>35,853.5</b>	(1,167.8)	(3.2%)	72.1	0.2%	2.8	0.0%
<b>Total Gross Exp.</b>	<b>42,574.9</b>	<b>41,454.0</b>	<b>(222.1)</b>	<b>41,232.0</b>	<b>(1,342.9)</b>	<b>(3.2%)</b>		<b>41,232.0</b>	<b>(1,342.9)</b>	<b>(3.2%)</b>	<b>115.7</b>	<b>0.3%</b>	<b>4.3</b>	<b>0.0%</b>
<b>REVENUE</b>														
Research & Policy Development	496.8	427.4		427.4	(69.4)	(14.0%)		<b>427.4</b>	(69.4)	(14.0%)				
Renewable Energy	1,126.4	969.0		969.0	(157.4)	(14.0%)		<b>969.0</b>	(157.4)	(14.0%)				
Environment & Energy Outreach	971.3	835.6		835.6	(135.7)	(14.0%)		<b>835.6</b>	(135.7)	(14.0%)				
Energy Management & Programs	18,195.8	15,799.0	(146.2)	15,652.8	(2,542.9)	(14.0%)		<b>15,652.8</b>	(2,542.9)	(14.0%)				
<b>Total Revenues</b>	<b>20,790.3</b>	<b>18,031.0</b>	<b>(146.2)</b>	<b>17,884.8</b>	<b>(2,905.5)</b>	<b>(14.0%)</b>		<b>17,884.8</b>	<b>(2,905.5)</b>	<b>(14.0%)</b>				
<b>NET EXP.</b>														
Research & Policy Development	1,720.4	1,719.9		1,719.9				<b>1,719.9</b>	(0.5)	(0.0%)	19.8	1.2%	0.7	0.0%
Renewable Energy	231.4	346.0		346.0	114.6	49.5%		<b>346.0</b>	114.6	49.5%	13.1	3.8%	0.5	0.1%
Environment & Energy Outreach	1,007.4	1,080.7		1,080.7	73.3	7.3%		<b>1,080.7</b>	73.3	7.3%	10.6	1.0%	0.3	0.0%
Energy Management & Programs	18,825.4	20,276.5	(75.9)	20,200.6	1,375.2	7.3%		<b>20,200.6</b>	1,375.2	7.3%	72.1	0.4%	2.8	0.0%
<b>Total Net Exp.</b>	<b>21,784.6</b>	<b>23,423.0</b>	<b>(75.9)</b>	<b>23,347.2</b>	<b>3,282.9</b>	<b>16.4%</b>		<b>23,347.2</b>	<b>1,562.6</b>	<b>7.2%</b>	<b>115.7</b>	<b>0.5%</b>	<b>4.3</b>	<b>0.0%</b>
Approved Positions	61.0	63.0	(2.0)	61.0				<b>61.0</b>						

The **Environment & Energy Service** works with residents, businesses and City Programs and Agencies to reduce greenhouse gas emissions, build a resilient city, facilitate energy conservation and demand management and ensure energy security and supply.

The 2015 Recommended Operating Budget of \$41.232 million gross and \$23.347 million net is \$1.563 million or 7.2% over the 2014 Approved Net Budget.

- The contractually obligated cost of living allowance, progression pay and associated benefit adjustments common across all activities account for \$0.443 million of the increases.
- Key cost drivers include inflationary increases of \$1.620 million due to rising utility rates under Energy Management & Programs. In addition, Phase 2 of the utility billing adjustment resulted in the transfer of \$0.268 million in utility costs from Toronto Water (Rate Supported Program) to Energy Management & Programs for shared locations mainly occupied by Fleet Services, Purchasing & Materials Management Division (PMMD) and Policy, Planning, Finance & Administration (PPF&A).
- As directed by City Council for consideration in July 2014, implementing the Climate Change Risk Management Policy, as part of the "Resilient City – Preparing for a Changing Climate" initiative requires an incremental \$0.250 million and 2 permanent positions, in addition to existing resources to be reallocated to support this initiative, to provide expertise and technical support to City operations. These resources will provide in-house technical expertise, assist and support City Programs & Agencies in the identification of climate change risks and develop plans to manage and address those risks under Research and Policy Development.
- To offset budgetary pressures, adjustments to inter-divisional recoveries and various environment-related reserve funds in the amount of \$0.943 million are included in Energy Management & Programs to correspond to the inflationary increases predominantly related to utilities and staff salary and benefit increases in delivery of services to other City Programs and Agencies.
- Furthermore, the 2015 recommended service changes for Environment & Energy consists of service efficiency savings of \$0.076 million net which represents a reduction of two administrative support positions whose functions are either not required or can be absorbed based on current requirements and actual experience of certain environmental program uptake and availability being delivered through the Energy Management & Programs activity. Details are presented in Confidential Attachment 1 under separate cover.





## **Part III:**

Issues for Discussion

## Issues for Discussion

### Issues Impacting the 2015 Budget

#### *Utilities Energy Efficiencies and Demand Forecast*

- Over recent years, savings in utilities have been realized due to ongoing energy efficiency improvements in City facilities, strategic utility utilization and purchases, and building automation upgrades allowing for better control and scheduling of energy consumption and equipment. The savings from 2011 to 2014 which amounted to \$3.0 million, allowed the Program to mitigate budget pressures and/or meet the budget targets each year since 2011. The table below summarizes the savings from 2011 to 2014.

Year	Net Savings (\$ million)
2014	0.655
2013	0.701
2012	1.240
2011	0.400

- The overall consumption of electricity, water, steam and chilled water has decreased while the use of natural gas has increased since 2010, reflecting a decision to shift energy demand and consumption to more cost effective utilities. The table below illustrates how Environment & Energy has been successful in this effort, which has contributed to managing utilities costs despite the escalating level of increases in electricity rates in Ontario.

Utility	Consumption - Change from 2010 to 2014 Projected	Unit Rates (\$/unit) - Change 2010 to 2014 Projected
Electricity	(3.4%)	20.2%
Natural Gas	36.1%	(26.0%)
Water	(29.6%)	40.3%
Steam	(26.5%)	(3.1%)
Chilled Water	(13.8%)	9.8%

- The success is partly attributed to the implementation of various initiatives and programs managed by the Environment & Energy Division, including:
  - The Energy Retrofit Program which assists in avoiding significant costs for City Programs through conservation projects to reduced energy requirements. Strategic energy purchasing and hedging to mitigate the impact of energy price fluctuations on the utilities budget and spending.
  - Building Automation System (BAS) installations to centralize and integrate various building controls, including environmental controls, scheduled activities during off peak hours and

limiting certain activities during peak hours where possible in order to reduce energy and maintenance costs and optimize building operating efficiencies.

- Taking advantage of incentive programs offered by the Province and Toronto Hydro, which generates funding that can be dedicated to additional energy related projects and initiatives.
- Renewable energy installation for all City-owned buildings is part of Toronto Green Standard update. This is one component of an overall plan to increase renewable energy usage in City's facilities through new buildings or retrofitting and renovating existing facilities.
- Through the Sustainable Energy Plan capital program, the Conservation and Demand Management Program outlines capital and operational improvements to City facilities to be fully repaid through energy savings and incentives from the Operating Budgets of City Programs and Agencies as a result of lower spending in utilities costs.

## Issues Referred to the 2015 Operating Budget Process

### *Resilient City*

- At its meetings of July 8, 9, 10 and 11, 2014, the report entitled "Resilient City – Preparing for a Changing Climate" (PE28.6) was adopted with amendments by Council. The report outlines an approach to integrate climate change resilience into decision-making and co-ordination of City operations and services, recommends mechanisms for co-coordinating, resourcing and prioritizing actions and proposes a Climate Change Risk Management Policy that defines roles and responsibilities for identifying and mitigating climate risks. The report, including appendices can be viewed at <http://www.toronto.ca/legdocs/mmis/2014/pe/bgrd/backgroundfile-70623.pdf>.
- The report examined how other cities are managing and planning for climate change resilience and put forward a number of recommended actions to build up Toronto's resilience. Although Toronto already has strategies and initiatives, such as the Toronto Green Standard, Wet Weather Flow Master Plan, the Hot Weather Response Plan and the Strategic Forest Management Plan, more work is required to:
  - support the integration of climate change resilience into decision making across all City operations;
  - further identify the changes required in Toronto's services and infrastructure to make them more resilient;
  - establish approaches for coordinating resilience action according to identified interdependencies of infrastructure and services and priority populations;
  - seek the engagement and assistance of the federal and provincial governments to address the impacts of the changing climate on the health and safety of residents;
  - partner with the private sector and broader public sector to coordinate the City's efforts with them to improve Toronto's overall resilience; and
  - support residents and businesses in taking actions that enhance their personal resilience.

**Climate Change Risk Management Policy**

- The Climate Change Risk Management Policy establishes an ongoing approach for identifying risks, and clarifying responsibilities, accountabilities, and approaches for managing these risks associated with a changing climate and extreme weather events. The policy statement outlined in Appendix A of the report commits the City of Toronto to:
  - continue to monitor and research how the climate is changing to establish a common set of future weather assumptions that are used to identify, assess and manage risks that may impact Toronto;
  - mitigate risk to the City's assets and services by integrating identified risk information into decision making and utilizing this information to inform priorities for investment;
  - establish methods to evaluate initiatives undertaken by the City through the lens of climate change resilience;
  - continue to reduce and manage risks to its employees and contractors resulting from a changing climate;
  - build awareness and establish meaningful partnerships with the community, residents, the private sector and the broader public sector; and
  - share knowledge and information with external organizations to promote engagement in enhancing extreme weather resilience on a broader scale.

**Resources Included in the 2015 Recommended Operating Budget**

- Recommendation 6 of the report states that City Council request the Deputy City Manager & Chief Financial Officer and the Chief Corporate Officer to prepare a business case for consideration during the 2015 Budget process and beyond that provides resources required to support implementation of the Climate Change Risk Assessment Policy.
- Implementing the Climate Change Risk Management Policy requires \$1.350 million annually, for 6 Resilient Leads and 1 Resilience Officer. Through the 2015 Budget process, the Environment & Energy requires the addition of 2 net new resources and \$0.250 million to provide expertise and technical support to City operations. The remaining resources will be resourced within Environment & Energy Division's existing complement and budget. This will require re-prioritizing existing services and initiatives being delivered by the Division, and re-directing these resources to support the Resilient City initiative.



## **Appendices:**

## Appendix 1

### 2014 Service Performance

#### 2014 Key Service Accomplishments

In 2014, Facilities, Real Estate, Environment & Energy accomplished the following:

Development and deployment of a CCOO wide business plan, setting the direction for the organization built on a foundation of shared values and priorities and the City's 26 Strategic Actions. This will provide the roadmap for the organization for the next 5 years, focusing on areas related to staff development, customer service enhancements, improved operational processes, fostering partnerships and promoting program sustainability.

- ✓ An example of an initiative that has come out of this plan is the introduction of the CCOO People & Culture Committee to engage the organization in initiatives that focus on customer service excellence.

Facilities Management continued its focus on improving service and processes, while keeping City facilities operational and safe for staff and the public. Some specific initiatives include:

- ✓ Developed an online Service Request Portal which standardized the intake of service needs from clients, improving access to facilities and real estate services and visibility in terms of the status of each service requested.
- ✓ Created a contractor status portal allowing Facilities staff to receive more timely feedback of work completed by contractors, improving visibility of service and capacity by automating this process.
- ✓ Launched pilot initiative to equip Facilities Operations field staff with mobility devices that will allow them to perform key work related functions in the field, improving the efficiency of many of the administrative aspects of work order management.
- ✓ Consolidated facilities management functions at EMS facilities through the Facilities Transformation Project, centralizing services and leveraging existing expertise to delivery services more effectively.
- ✓ Implemented the "Be Security Conscious" Security Awareness Program to ensure employees are aware of their role as security partners, ensuring City facilities are safe and secure for use.

Real Estate Service developed a 5 year business plan identifying key objectives in its efforts to manage the City's portfolio of real estate assets. Achievements realized in 2014 include:

- ✓ Continue to work with Build Toronto on property transfers, managing the transfer or turnover of 61 properties as of the end of 2014.
- ✓ Managed over 1,100 leases and conducted over 35 sales, 80 acquisitions and 700 appraisals in assisting City Programs and Agencies with their real estate needs to deliver services to the public.

- ✓ Initiated office modernization and space rationalize framework for City of Toronto office buildings to be further developed and refined in 2015.
- ✓ Completed an organizational restructuring of the operations of the St. Lawrence Market complex to maximize leasing revenue potential while ensuring the facilities continue to be a destination in Toronto.

Environment and Energy demonstrated its leadership and accountability for environment and energy sustainability in 2014, and achieved the following results:

- ✓ Created a City of Toronto resiliency strategy, approved by Council in July 2014.
- ✓ Prepared and submitted to the Province a Municipal 5-year Energy Conservation and Demand Management (ECDM) Plan, and received Council authority to use this plan as the foundation for developing ECDM priorities in over 500 City facilities, to be delivered through the Sustainable Energy Plan capital program.
- ✓ Successful implementation of the Home Energy Loan Program - using local improvement charges to fund deep energy retrofits in residential buildings.

## 2014 Financial Performance

### 2014 Budget Variance Analysis

(\$000s)	2012	2013	2014	2014	2014 Approved Budget vs.	
	Actuals	Actuals	Approved Budget	Projected Actuals	Projected Actual	Variance
	\$	\$	\$	\$	\$	%
Gross Expenditures	166,677.5	176,827.9	188,746.9	184,244.3	(4,502.6)	(2.4%)
Revenues	108,182.2	116,073.5	123,427.8	119,031.6	(4,396.2)	(3.6%)
Net Expenditures	58,495.2	60,754.5	65,319.1	65,212.7	(106.4)	(0.2%)
Approved Positions	722.5	733.6	1,004.5	924.6	(79.9)	(8.0%)

### 2014 Experience

**Facilities, Real Estate and Environment & Energy** reported a net under-expenditure of \$0.448 million or 0.9% of planned expenditures for the nine-month period ended September 30, 2014. This was largely attributed to the under-spending from vacancies offset partly by the increased use of part-time workers/casual staff and contracted services, as well as higher energy consumption required to heat the City's buildings as a result of the extreme winter weather during the first quarter of 2014.

As of September 30, 2014, the Program reported a strength of 795.8 positions compared to an approved complement of 898.7 positions, which represented a vacancy rate of 8.0% after considering budgeted gapping. Of the 102.9 vacancies, 27.5 positions are being held vacant to achieve the full year gapping target of 3.4%. The impact of vacancies is being mitigated by having some of the critical work performed by using part-time workers, staff working extra hours to cover 24/7 operations and contracted services. Some delays in executing client work requests including capital projects, processing vendor invoices, and slower response time have resulted in reduced customer services. The

Program is working diligently with Human Resources to ensure these vacancies are filled as soon as possible.

The Program is projecting under-spending of \$0.106 million or 0.2% below the 2014 Approved Net Operating Budget at year-end. Under-spending in salaries and benefits (\$4.1 million) will be offset by higher than planned utilities costs (anticipated to exceed budget by \$1.1 million), as well as contracted services (\$3.0 million). This forecast will fluctuate during year-end closing as final costs and recoveries are made and the Program will monitor its year-end position with a target to come in on budget for 2014.

By year-end, the Program is projecting a strength of 924.6 positions compared to approved complement of 1,004.5 positions, reflecting a vacancy rate of 4.6% after considering budgeted gapping.

**Impact of 2014 Operating Variance on the 2015 Recommended Budget**

The overall utilities budget has been increased from \$23.755 million to \$25.871 million, representing an increase of \$2.116 million or approximately 9% in the 2015 Recommended Operating Budget. The increase reflects the 2014 experiences of consumption pattern, anticipated rate increases due to inflation, and a provision for climate change resilience.



## Appendix 2

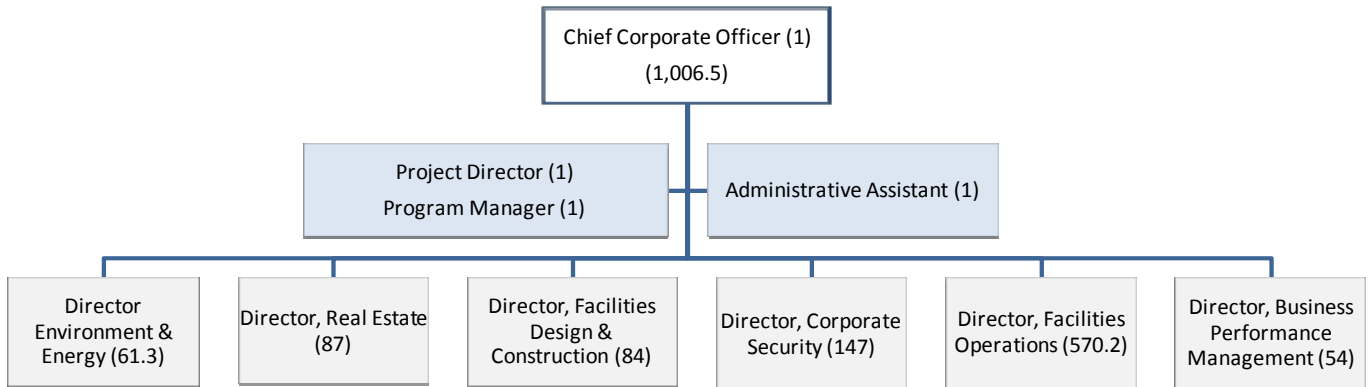
## 2015 Recommended Operating Budget by Expenditure Category

## Program Summary by Expenditure Category

Category of Expense (\$000's)	2012	2013	2014	2014	2015	2015 Change from		Plan	
	Actual	Actual	Budget	Projected	Rec'd	2014 Approved		2016	2017
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	72,519.7	75,711.5	83,140.2	79,014.0	93,977.8	10,837.6	13.0%	94,851.2	94,883.4
Materials and Supplies	25,737.1	27,677.4	28,359.7	29,078.2	30,412.9	2,053.2	7.2%	30,414.7	30,415.2
Equipment	586.9	756.1	531.0	901.0	528.9	(2.1)	(0.4%)	529.1	529.2
Services & Rents	58,440.6	63,790.1	65,559.3	68,575.6	54,507.3	(11,052.0)	(16.9%)	54,605.8	54,627.9
Contributions to Reserve/Res Funds	1,483.5	1,826.9	1,827.6	1,868.9	1,821.2	(6.5)	(0.4%)	1,821.2	1,821.4
Other Expenditures	5,970.9	4,377.0	7,594.0	2,872.4	6,460.9	(1,133.1)	(14.9%)	6,460.9	6,461.7
Interdivisional Charges	1,938.7	2,688.9	1,735.2	1,934.2	1,501.3	(233.9)	(13.5%)	1,501.3	1,488.7
<b>Total Gross Expenditures</b>	<b>166,677.5</b>	<b>176,827.9</b>	<b>188,746.9</b>	<b>184,244.3</b>	<b>189,210.4</b>	<b>463.5</b>	<b>0.2%</b>	<b>190,184.3</b>	<b>190,227.5</b>
Interdivisional Recoveries	46,370.3	49,861.1	49,244.0	53,543.1	51,038.1	1,794.1	3.6%	51,038.1	51,038.1
Provincial Subsidies	196.1	120.9	180.0	189.5	250.0	70.0	38.9%	250.0	250.0
Federal Subsidies	0.6		220.5		220.5			220.5	220.5
User Fees & Donations	41,932.6	43,410.8	43,113.4	43,127.6	43,046.4	(67.0)	(0.2%)	43,046.4	43,046.4
Transfers from Capital Fund	7,718.7	6,957.0	9,171.0	7,101.0	9,383.8	212.8	2.3%	9,383.8	9,383.8
Contribution from Reserve/Reserve Funds	5,441.4	4,094.3	11,865.9	2,733.2	11,675.3	(190.6)	(1.6%)	11,675.3	11,675.3
Sundry Revenues	6,522.4	11,629.3	9,633.1	12,337.2	8,277.2	(1,355.9)	(14.1%)	8,277.2	8,278.2
<b>Total Revenues</b>	<b>108,182.2</b>	<b>116,073.5</b>	<b>123,427.8</b>	<b>119,031.6</b>	<b>123,891.3</b>	<b>463.5</b>	<b>0.4%</b>	<b>123,891.3</b>	<b>123,892.2</b>
<b>Total Net Expenditures</b>	<b>58,495.2</b>	<b>60,754.5</b>	<b>65,319.1</b>	<b>65,212.7</b>	<b>65,319.1</b>	<b>0.0</b>	<b>0.0%</b>	<b>66,293.0</b>	<b>66,335.2</b>
<b>Approved Positions</b>	<b>722.5</b>	<b>733.6</b>	<b>1,004.5</b>	<b>924.6</b>	<b>1,007.5</b>	<b>3.0</b>	<b>0.3%</b>	<b>1,007.5</b>	<b>1,007.5</b>

### Appendix 3

#### 2015 Organization Chart



#### 2015 Recommended Complement

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Permanent	3.0	198.0	111.0	638.2	950.2
Temporary		37.7	9.0	10.6	57.3
<b>Total</b>	<b>3.0</b>	<b>235.7</b>	<b>120.0</b>	<b>648.8</b>	<b>1,007.5</b>

## **Appendix 4**

### **Summary of 2015 Recommended Service Changes**

**2015 Operating Budget - Staff Recommended Service Change  
Summary by Service  
(\$000s)**

Form ID		Internal Focused Services Program: Facilities, Real Estate, Environment & Energy	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
<b>2015 Staff Recommended Base Budget Before Service Change:</b>			<b>186,941.3</b>	<b>83,770.6</b>	<b>103,170.7</b>	<b>884.7</b>	<b>0.0</b>	<b>(5.7)</b>

4002	<b>Streamline Building Maintenance Functions</b>
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51	1	<b>Description:</b>
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Facilities Management will streamline building building maintenance functions at varoius facilities (both demand and preventive maintenance) within a baseline standard that meets user and facility needs. In addition, administrative costs within the Facilities Operations section have been below budget in recent years, and a reduction to budget can be made to better align expected spending with planned amounts.

**Service Level Impact:**

Currently, the Facilities Operations unit performs maintenance functions on facilities based on agreed upon standards with program and building users, and facility requirements. Where possible, these services will be streamlined to accomodate a reduction in budget, while still meeting the bsaeline standard that will ensure the facilities remain functional, safe and operational for users.

Service: Facilities Management

Total Staff Recommended:	(588.7)	0.0	(588.7)	0.0	0.0	0.0
<b>Staff Recommended Service Changes:</b>	<b>(588.7)</b>	<b>0.0</b>	<b>(588.7)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

4003	<b>Custodial Services Efficiencies</b>
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51	1	<b>Description:</b>
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A reduction in the number of permanent vacant positions within the unit that provides custodial services to City facilities. There is a total of 3 FTEs being reduced, comprising of support staff (0.5 FTEs), cleaners (2 FTE) and general maintenance (1 FTE) staff.

**Service Level Impact:**

**2015 Operating Budget - Staff Recommended Service Change  
Summary by Service  
(\$000s)**

Form ID		Internal Focused Services Program: Facilities, Real Estate, Environment & Energy	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Currently, the custodial unit within Facilities Management is responsible for cleaning functions at City Hall and Metro Hall as well as Nathan Phillips and David Pecaut Square. Efficiencies will be sought to maintain current cleanliness levels and standards at these facilities, as well as within the public squares. Within the administrative office, support staff were used to hire and co-ordinate summer students. This practice will be discontinued and any remaining work will be absorbed by current support staff as needed. The general maintenance position has been deemed surplus as the requirements for this position can be absorbed within the existing complement, therefore service levels will not be impacted.

Service: Facilities Management

Total Staff Recommended:	(238.7)	0.0	(238.7)	(3.0)	0.0	0.0
<b>Staff Recommended Service Changes:</b>	<b>(238.7)</b>	<b>0.0</b>	<b>(238.7)</b>	<b>(3.0)</b>	<b>0.0</b>	<b>0.0</b>

4004	<b>Corporate Security &amp; Capital Project Management Efficiencies</b>
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51	1	<b>Description:</b>
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Within the Facilities Management Division, efficiencies will be realized in the Corporate Security unit by replacing contracted security services through greater use of access controls at 1050 Ellesmere and by optimizing scheduling of security coordination services at Union Station. In addition, support services for capital project management delivery will be reduce through a reduction of 1 Construction Co-ordinator position in Facilities Design and Construction unit.

**Service Level Impact:**

Currently, a contract guard at 1050 Ellesmere provides a security and access control functions serving 3 different City business operations: Transportations, Stores and Solid Waste. Corporate Security will replace this with the utilization of internal access control systems to manage access into this facility. At Union Station, Corporate Security provides security management services through 4 senior coordinators. Corporate Security will optimize the use of these resources, as well as coordination with security services being provided through other tenants of Union Station. This will allow for the reduction of 1 permanent vacant senior security coordinator. Lastly, construction coordinators provide support services to capital project management staff. A portion of these services will be absorbed by existing management staff, as well as project managers, which will allow for the reduction of 1 permanet vacant construction coordinator with minimal impacts to capital project management services.

Service: Facilities Management

**2015 Operating Budget - Staff Recommended Service Change  
Summary by Service  
(\$000s)**

Form ID		Internal Focused Services Program: Facilities, Real Estate, Environment & Energy	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		Total Staff Recommended:	(334.0)	0.0	(334.0)	(2.0)	0.0	0.0
		Service: Real Estate						
		Total Staff Recommended:	0.0	(85.8)	85.8	0.0	0.0	0.0
		<b>Staff Recommended Service Changes:</b>	<b>(334.0)</b>	<b>(85.8)</b>	<b>(248.2)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>

**4413 Environmental Program Support Efficiencies Confidential**

**51 | 1 Description:**

A reduction in support services related to environmental programs being carried out by the Environment and Energy Division. Savings of \$0.222 million gross and \$0.076 million net are expected by reducing 2 positions. Please refer to Confidential Attachment under separate cover.

**Service Level Impact:**

These changes will result in minimal impact on service levels.

Service: Facilities Management

Total Staff Recommended:	(222.1)	(146.2)	(75.9)	0.0	0.0	0.0
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Service: Environment & Energy

Total Staff Recommended:	0.0	0.0	0.0	(2.0)	0.0	0.0
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<b>Staff Recommended Service Changes:</b>	<b>(222.1)</b>	<b>(146.2)</b>	<b>(75.9)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>
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**Summary:**

<b>Staff Recommended Service Changes:</b>	<b>(1,383.5)</b>	<b>(232.0)</b>	<b>(1,151.5)</b>	<b>(7.0)</b>	<b>0.0</b>	<b>0.0</b>
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**2015 Operating Budget - Staff Recommended Service Change  
Summary by Service  
(\$000s)**

Form ID		Internal Focused Services Program: Facilities, Real Estate, Environment & Energy	Adjustments				2016 Plan Net Change	2017 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		<b>Total Staff Recommended Base Budget:</b>	<b>185,557.9</b>	<b>83,538.6</b>	<b>102,019.3</b>	<b>877.7</b>	<b>0.0</b>	<b>(5.7)</b>

## Appendix 6

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

**Table 10**  
**Program Specific Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>2,416.6</b>	<b>2,416.6</b>	<b>2,153.1</b>	<b>1,889.7</b>
Energy Conservation Reserve Fund	XR1715				
<i>Proposed Withdrawals (-)</i>			(528.0)	(528.0)	(528.0)
<i>Contributions (+)</i>			264.5	264.5	264.6
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>2,416.6</b>	<b>2,153.1</b>	<b>1,889.7</b>	<b>1,626.3</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>2,416.6</b>	<b>2,153.1</b>	<b>1,889.7</b>	<b>1,626.3</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>13,389.9</b>	<b>13,389.9</b>	<b>9,751.4</b>	<b>6,112.9</b>
Union Station Reserve Fund	XR2501				
<i>Proposed Withdrawals (-)</i>			(3,638.5)	(3,638.5)	(3,638.5)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>13,389.9</b>	<b>9,751.4</b>	<b>6,112.9</b>	<b>2,474.4</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>13,389.9</b>	<b>9,751.4</b>	<b>6,112.9</b>	<b>2,474.4</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>2,267.2</b>	<b>2,267.2</b>	<b>2,267.2</b>	<b>2,267.2</b>
Conservation Management Reserve Fund	XR3029				
<i>Contributions (+)</i>			2,926.3	2,926.3	2,926.3
<i>Proposed Withdrawals (-)</i>			(2,926.3)	(2,926.3)	(2,926.3)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>2,267.2</b>	<b>2,267.2</b>	<b>2,267.2</b>	<b>2,267.2</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>2,267.2</b>	<b>2,267.2</b>	<b>2,267.2</b>	<b>2,267.2</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>1,072.9</b>	<b>1,072.9</b>	<b>622.9</b>	<b>172.9</b>
Eco-Roof Financial Assistance Reserve Fund	XR1723				
<i>Proposed Withdrawals (-)</i>			(450.0)	(450.0)	(450.0)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>1,072.9</b>	<b>622.9</b>	<b>172.9</b>	<b>(277.1)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>1,072.9</b>	<b>622.9</b>	<b>172.9</b>	<b>(277.1)</b>



Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015	2016	2017
			\$	\$	\$
<b>Projected Beginning Balance</b>		<b>16,165.4</b>	<b>16,165.4</b>	<b>15,767.6</b>	<b>15,369.8</b>
Local Improvement Charge Energy Works Reserve Fund	XR1724				
<i>Proposed Withdrawals (-)</i>			(397.8)	(397.8)	(397.8)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>16,165.4</b>	<b>15,767.6</b>	<b>15,369.8</b>	<b>14,972.0</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>16,165.4</b>	<b>15,767.6</b>	<b>15,369.8</b>	<b>14,972.0</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015	2016	2017
			\$	\$	\$
<b>Projected Beginning Balance</b>		<b>1,560.1</b>	<b>1,560.1</b>	<b>627.1</b>	<b>(305.8)</b>
Home Energy Assistance Reserve Fund	XR1719				
<i>Proposed Withdrawals (-)</i>			(932.9)	(932.9)	(932.9)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>1,560.1</b>	<b>627.1</b>	<b>(305.8)</b>	<b>(1,238.7)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>1,560.1</b>	<b>627.1</b>	<b>(305.8)</b>	<b>(1,238.7)</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015	2016	2017
			\$	\$	\$
<b>Projected Beginning Balance</b>		<b>6,858.1</b>	<b>6,858.1</b>	<b>4,651.3</b>	<b>2,444.6</b>
Better Building Partnership	XR1052				
<i>Proposed Withdrawals (-)</i>			(2,206.8)	(2,206.8)	(2,206.8)
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>6,858.1</b>	<b>4,651.3</b>	<b>2,444.6</b>	<b>237.8</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>6,858.1</b>	<b>4,651.3</b>	<b>2,444.6</b>	<b>237.8</b>

**Table 11**  
**Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015	2016	2017
			\$	\$	\$
<b>Projected Beginning Balance</b>		<b>21,307.7</b>	<b>21,307.7</b>	<b>3,123.0</b>	<b>(4,286.5)</b>
Insurance Reserve Fund	XR1010				
<i>Contributions (+)</i>			986.9	986.9	987.0
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>21,307.7</b>	<b>22,294.6</b>	<b>4,109.9</b>	<b>(3,299.5)</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(19,171.6)</b>	<b>(8,396.4)</b>	<b>2,499.1</b>
<b>Balance at Year-End</b>		<b>21,307.7</b>	<b>3,123.0</b>	<b>(4,286.5)</b>	<b>(800.4)</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>2,192.8</b>	<b>2,192.8</b>	<b>2,496.0</b>	<b>2,799.1</b>
Vehicle and Equipment Reserve	XQ1502				
<i>Contributions (+)</i>			303.2	303.2	303.2
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>2,192.8</b>	<b>2,496.0</b>	<b>2,799.1</b>	<b>3,102.3</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>					
<b>Balance at Year-End</b>		<b>2,192.8</b>	<b>2,496.0</b>	<b>2,799.1</b>	<b>3,102.3</b>

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2014 \$	Rec'd Withdrawals (-) / Contributions (+)		
			2015 \$	2016 \$	2017 \$
<b>Projected Beginning Balance</b>		<b>113,015.4</b>	<b>113,015.4</b>	<b>97,687.0</b>	<b>89,432.5</b>
Land Acquisition Reserve Fund	XR1012				
<i>Proposed Withdrawals (-)</i>			(595.0)	(595.0)	(595.0)
<i>Contributions (+)</i>			266.6	266.6	266.6
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>113,015.4</b>	<b>112,687.0</b>	<b>97,358.5</b>	<b>89,104.0</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>(15,000.0)</b>	<b>(7,926.1)</b>	
<b>Balance at Year-End</b>		<b>113,015.4</b>	<b>97,687.0</b>	<b>89,432.5</b>	<b>89,104.0</b>

## Appendix 7a

### Recommended User Fees Adjusted for Inflation and Other

Rate Description	Service	Fee Category	Fee Basis	2014	2015			2016	2016
				Approved Rate	Inflationary Adjusted Rate	Other Adjustment	Budget Rate	Plan Rate	Plan Rate
Rental rate for Memorial Hall Burgundy Room A and B (social rate)	Facilities Management	Market Based	Per Hour	\$129.03	\$6.45	(\$2.58)	\$132.90	\$132.90	\$132.90
Rental rate for Memorial Hall Burgundy Room A and B (meeting rate)	Facilities Management	Market Based	Per Hour	\$89.76	\$4.49	(\$1.85)	\$92.40	\$92.40	\$92.40
Rental rate for Memorial Hall Burgundy Room A or B (meeting rate)	Facilities Management	Market Based	Per Hour	\$40.80	\$2.04	\$3.26	\$46.10	\$46.10	\$46.10
Rental rate for Memorial Hall Gold Room A and B (social rate)	Facilities Management	Market Based	Per Hour	\$103.53	\$5.18	(\$2.40)	\$106.31	\$106.31	\$106.31
Rental rate for Memorial Hall Gold Room A and B (meeting rate 1)	Facilities Management	Market Based	Per Hour	\$65.82	\$3.29	(\$2.31)	\$66.80	\$66.80	\$66.80
Rental rate for Memorial Hall Gold Room A and B (meeting rate 2)	Facilities Management	Market Based	Per Hour	\$29.58	\$1.48	\$2.36	\$33.42	\$33.42	\$33.42
Metro Hall Farmers Market - Weekly Rental Rate for lunch time vendor booth May 27 - Oct 14 (except June 24 and July 1)	Facilities Management	Market Based	Weekly	\$178.50	\$8.93	\$0.00	\$187.43	\$187.43	\$187.43
Metro Hall Farmers Market - Weekly Rental Rate for coffee/beverage and baked goods vendor booth June 15 - Oct 9	Facilities Management	Market Based	Weekly	\$131.25	\$6.56	\$0.00	\$137.81	\$137.81	\$137.81
Co-ordination Services for film shoots/events	Facilities Management	City Policy	Per Hour	\$57.12	\$1.14	\$3.74	\$62.00	\$62.00	\$62.00
Security for film shoots/events	Facilities Management	City Policy	Per Hour	\$48.53	\$0.97	\$15.50	\$65.00	\$65.00	\$65.00
Building Operator costs for film shoots/events	Facilities Management	City Policy	Per Hour	\$45.70	\$0.91	\$3.39	\$50.00	\$50.00	\$50.00
Custodial Services for film shoots/events	Facilities Management	City Policy	Per Hour	\$37.70	\$0.75	\$6.55	\$45.00	\$45.00	\$45.00
Foreperson for film shoots/events	Facilities Management	City Policy	Per Hour	\$54.26	\$1.09	\$19.65	\$75.00	\$75.00	\$75.00
Electrician for film shoots/events	Facilities Management	City Policy	Per Hour	\$83.23	\$1.66	\$65.11	\$150.00	\$150.00	\$150.00
Audio Visual Services for film shoots/events	Facilities Management	City Policy	Per Hour	\$47.74	\$0.95	\$36.31	\$85.00	\$85.00	\$85.00