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2016 OPERATING BUDGET BRIEFING NOTE

Citizen Centred Services "B" Programs: 2013-2016 Trends for Specific Expenditure Accounts

Issue/Background:

Budget Committee requested the City Manager to provide briefing note to the January 5, 2016 meeting of Budget Committee on detailed expenditures in 2013, 2014, forecast expenditures for 2015 and Preliminary 2016 budget for the cost categories noted below:

- Advertising and Promotion
- Catering Services
- Conferences
- Contracted Services – Renovations
- Mailing
- Material and Equipment – Communications
- Material and Equipment Hand Tools
- Meetings
- Office Supplies
- Professional and Tech-Management Fees
- Rental of Office Equipment
- Training
- Travel

Key Points:

- During 2015, the accounts for each program were monitored and reviewed to ensure that spending occurred within the approved funding envelope. Any overspending in the accounts was offset by underspending in other accounts.
- During the 2016 budget process, several line-by-line reviews of expenditures were conducted for each program, resulting in reductions to 2016 budget. In some cases the budgets were realigned to reflect actual spending.

Cluster B's, 2013 and 2014 actuals, 2015 projected and 2016 preliminary budget expenditures for various cost categories requested by Budget Committee are summarized in the table below:

Expenditure Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	Column (5) minus (3) 2016 Preliminary Budget Gross vs 2015 YE Projection (6)	Column (5) minus (4) Reduction in 2016 Preliminary Budget (7)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget (8)
Advertising & Promotion	630,712	595,809	547,181	635,497	669,214	122,033	33,717	5.3
Catering Services	15,376	8,014	21,945	24,749	24,749	2,804		
Conferences	162,325	195,568	224,279	289,394	290,631	66,352	1,236	0.4
Contracted Services - Renovations	16,938		531	30,025	20,000	19,469	(10,025)	(33.4)
Mailing	101,105	119,437	133,192	166,907	151,651	18,459	(15,256)	(9.1)
Material & Equipment - Communications	94,698	127,259	203,493	48,610	101,122	(102,371)	52,512	108.0
Material & Equipment - Hand Tools	74,678	89,044	84,968	104,869	91,183	6,215	(13,686)	(13.1)
Meetings	48,834	71,279	91,676	82,572	90,243	(1,433)	7,671	9.3
Office Supplies	1,448,212	1,320,774	1,280,356	1,841,237	1,655,086	374,730	(186,151)	(10.1)
Professional & Tech - Management Fees	9,136	6,767						
Rental of Office Equipment	204,231	115,728	27,293	364,121	269,124	241,831	(94,997)	(26.1)
Training	276,103	424,911	686,033	951,264	894,596	208,563	(56,668)	(6.0)
Travel	1,153,541	1,127,449	1,076,016	1,645,815	1,560,698	484,683	(85,117)	(5.2)
Expenditure Category Total	4,235,888	4,202,038	4,376,963	6,185,060	5,818,297	1,441,334	(366,763)	(5.9)

- Expenditure details by division are provided in Appendix A.
- Overall, the 2016 preliminary budget for the above cost categories has been reduced by 5.9% or \$366,763, refer to column 7 above.
- In comparison with 2015 projected year end spending, the 2016 Preliminary Budget reflects a \$1.4 million increase, see column 6 above. The key drivers of the increase are:

➤ **Travel - \$485K**

- Majority of Travel relates to the mileage provided to city staff who are using personal vehicles to conduct city business. High bid prices in 2015 resulted in a significant amount of construction contracts deferred to 2016 by Engineering & Construction Services (ECS); resulting in lower requirements in 2015. In 2016, ECS will undertake the contracts deferred from 2015, in addition to the delivery of an increased volume of capital projects for Toronto Water and Transportation. The division also expects an increase in travel cost (mileage) due to the introduction of overnight site inspections.
- A new unit will be added in Transportation Services to support the Capital Delivery program in Traffic Management Centre, which will require travel/mileage funding in 2016.
- Municipal Licensing & Standards is expecting to fill 11 vacancies in the Property Standards unit during 2016. These officers are required to travel around the City for enforcement purposes. Also, some personal vehicles used by MLS staff will be replaced with City vehicles which will result in an increase in Fleet IDC, to be funded by any available budget in this account.
- 2016 budget for Travel has been reduced by \$85k, column 7, as a result of the line by line reviews.

➤ **Office Supplies & Rental of Office Equipment - \$616k**

- The divisions are yet to be charged with 2015 actual expenditures under the new Print Management Strategy program. The budget will be reviewed and realigned in 2016 to actual spending.
- 2016 budget for Office Supplies & Rental of Office Equipment has been reduced by \$281k, column 7; as a result of line by line reviews.

➤ **Training - \$208K**

- Past spending freezes resulted in reduced spending in this account. The programs are expecting to increase spending in this area as they continue to focus on reducing their vacancies.
- Funding is also required for training in programs such as Toronto Fire Services, Municipal Licensing & Standards and Toronto Building; as mandated by Provincial/Federal legislations. Further reductions may compromise the programs ability to meet the mandatory training requirements.
- 2016 budget for training has been reduced by \$57k, column 7; as a result of line by line reviews.

➤ **Advertising and Promotion - \$122K**

- Toronto Fire Services will implement targeted public education campaigns relating to zero-tolerance Fire Code enforcement requirements of the Fire Prevention & Protection Act. Funding is also required to continue commitment to enhancing diversity in Toronto Fire Services recruitment, as directed by Council.
- Office of Emergency Management will undertake public education initiatives for the residents of Toronto as directed by Council; to be offset by a Provincial grant from Ontario Power Generation.
- 2016 budget increased by \$34k, column 7.

➤ **Conferences & Seminars - \$66k**

- Past spending freezes resulted in reduced spending in this account.
- The following are some of the conferences planned for 2016:
 - Transportation Services - Transportation Association of Canada (TAC) conference
 - Office of Emergency Management – World Conference on Disaster Management.
 - Municipal Licensing & Standards – AMCTO, International Association of Transportation Regulators (IATR) and Transportation Research Board conferences.
- 2016 budget increased by \$1k, (column 7) over 2015 budget.

➤ **Material & Equipment – Communications - \$102k overspent**

- Toronto Fire Services over-expenditure resulting from a one-time purchase (\$82.0 thousand) of equipment for Radio and HUSAR units. Funding for HUSAR activities is provided by the Province.
- 2016 budget increased by \$53k, column 7, to align with average historical spending in Toronto Fire Services.

Attachment:

Appendix A – Detail Expenditures by Program

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Date: January 5, 2016

Appendix A Detail Expenditures by Program

City Planning

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion	57,683	35,706	84,079	57,100	57,100	(26,979)	(0)	(0.0)
Conferences	36,930	24,262	47,483	41,800	41,800	(5,683)	(0)	(0.0)
Mailing	8,002	6,766	4,725	25,228	16,152	11,428	(9,076)	(36.0)
Material & Equipment - Communications		21,156	1,205			(1,205)		
Meetings	16,280	16,311	29,178	23,682	23,682	(5,496)		
Office Supplies	163,387	126,243	116,226	176,732	178,008	61,782	1,276	0.7
Professional & Tech - Management Fees	9,136	6,767						
Rental of Office Equipment	5,386	4,024						
Training	45,173	56,276	72,121	92,587	92,587	20,465		
Travel	76,637	69,656	73,147	101,601	101,601	28,454		
Expenditure Category Total	418,614	367,168	428,163	518,729	510,929	82,766	(7,800)	(1.5)

Engineering & Construction Services

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion	17,441	52,672	35,209	28,500	26,040	(9,169)	(2,460)	(8.6)
Conferences	8,121	25,710	32,993	51,933	54,158	21,165	2,225	4.3
Mailing	8,827	5,244	1,259	6,000	6,000			
Material & Equipment - Hand Tools	644	207	642			(642)		
Meetings	3,022	1,961	4,915	7,806	8,106	3,191	300	3.8
Office Supplies	145,023	143,423	78,426	332,590	283,544	205,118	(49,046)	(14.7)
Rental of Office Equipment	6,927	2,796	1,850	11,000	11,000			
Training	12,068	18,078	68,913	164,757	176,603	107,690	11,846	7.2
Travel	239,651	211,252	200,830	463,811	504,741	303,911	40,930	8.8
Expenditure Category Total	441,725	461,343	425,037	1,066,397	1,070,191	645,154	3,795	0.4

Fire Services

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion	2,828	35,699	5,000	92,519	94,536	89,536	2,017	2.2
Conferences	48,412	38,415	73,685	51,281	52,399	(21,286)	1,118	2.2
Mailing	10,686	16,631	22,380	17,180	17,583	(4,797)	403	2.3
Material & Equipment - Communications	88,615	106,284	198,000	46,449	97,461	(100,539)	51,012	109.8
Material & Equipment - Hand Tools	40,789	69,919	65,000	60,275	61,589	(3,411)	1,314	2.2
Meetings	471			5,542	5,663	5,663	121	2.2
Office Supplies	256,132	161,623	264,059	207,967	210,264	(53,795)	2,297	1.1
Rental of Office Equipment	46,144	28,157	3,000	94,998	5,001	2,001	(89,997)	(94.7)
Training	54,954	131,897	172,460	200,382	205,506	33,046	5,124	2.6
Travel	87,787	80,617	84,244	92,550	107,568	23,324	15,018	16.2
Expenditure Category Total	636,818	669,243	887,828	869,143	857,571	(30,257)	(11,572)	(1.3)

Municipal Licensing & Standards

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion	219,703	163,401	206,000	176,000	176,000	(30,000)		
Conferences	1,565	3,495	10,031	13,775	13,775	3,744		
Contracted Services - Renovations			531			(531)		
Mailing	13,846	15,337	20,050	14,828	14,828	(5,221)		
Material & Equipment - Communications	1,154		234	675	675	441		
Material & Equipment - Hand Tools		509	785			(785)		
Meetings	2,961	2,151	37,999	4,617	4,617	(33,382)		
Office Supplies	97,938	121,319	109,172	127,819	127,819	18,647		
Rental of Office Equipment	21,080	8,620	1,892	39,639	34,639	32,747	(5,000)	(12.6)
Training	67,227	85,794	91,040	79,723	79,723	(11,318)		
Travel	212,153	203,828	208,664	253,687	253,687	45,024		
Expenditure Category Total	637,626	604,454	686,399	710,764	705,764	19,365	(5,000)	(0.7)

Policy, Planning, Finance & Administration

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion			2,304	68	25,000	22,696	24,932	36,513.9
Catering Services	15,376	8,014	21,945	24,749	24,749	2,804		
Conferences	12,141	13,656	4,122	28,734	28,734	24,613		
Contracted Services - Renovations	16,938			30,025	20,000	20,000	(10,025)	(33.4)
Mailing			100	8,820	2,100	2,000	(6,720)	(76.2)
Material & Equipment - Communications	1,187	(1,168)	1,200	500		(1,200)	(500)	(100.0)
Meetings	3,720	9,398	4,427	4,693	11,743	7,316	7,050	150.2
Office Supplies	140,121	107,031	130,290	219,926	203,735	73,445	(16,191)	(7.4)
Rental of Office Equipment	71,154	14,152	44	212,974	212,974	212,930		
Training	14,864	33,191	21,536	127,951	101,888	80,352	(26,063)	(20.4)
Travel	8,739	15,645	9,981	27,535	23,085	13,103	(4,450)	(16.2)
Expenditure Category Total	284,241	199,920	195,949	685,975	654,008	458,059	(31,968)	(4.7)

Toronto Building

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion	11,599	18,538	14,632	15,000	15,000	368		
Conferences	6,767	8,690	2,955	5,000	5,000	2,045		
Mailing	31	86	1,405	347	347	(1,058)		
Meetings	8,696	6,425	4,854	7,000	7,000	2,146		
Office Supplies	198,369	111,701	82,919	174,222	124,222	41,304	(50,000)	(28.7)
Rental of Office Equipment	5,211	3,698	179	5,510	5,510	5,331		
Training	46,106	41,021	83,419	93,927	93,927	10,508		
Travel	328,961	338,783	319,302	392,483	319,983	682	(72,500)	(18.5)
Expenditure Category Total	605,739	528,941	509,666	693,491	570,991	61,325	(122,500)	(17.7)

Transportation Services

Category	2013 Actual (1)	2014 Actual (2)	2015 Year End Projection (3)	2015 Budget (4)	2016 Preliminary Budget Gross (5)	2016 Preliminary Budget Gross vs 2015 YE Projection (5) minus (3)	Reduction in 2016 Preliminary Budget (5) minus (4)	% of Reduction in 2016 Preliminary Budget vs 2015 Budget
Advertising & Promotion	321,458	289,792	199,956	266,309	275,538	75,582	9,229	3.5
Conferences	48,388	81,339	53,011	96,871	94,764	41,753	(2,107)	(2.2)
Mailing	59,713	75,373	83,274	94,503	94,639	11,366	136	0.1
Material & Equipment - Communications	3,743	987	2,854	986	2,986	132	2,000	202.9
Material & Equipment - Hand Tools	33,245	18,409	18,541	44,594	29,594	11,053	(15,000)	(33.6)
Meetings	13,685	35,033	10,304	29,232	29,432	19,129	200	0.7
Office Supplies	447,241	549,434	499,264	601,981	527,495	28,230	(74,487)	(12.4)
Rental of Office Equipment	48,329	54,281	20,328			(20,328)		
Training	35,710	58,654	176,543	191,937	144,363	(32,180)	(47,574)	(24.8)
Travel	199,612	207,668	179,848	314,148	250,033	70,185	(64,115)	(20.4)
Expenditure Category Total	1,211,125	1,370,969	1,243,921	1,640,561	1,448,843	204,922	(191,718)	(11.7)