
2018 OPERATING BUDGET BRIEFING NOTE

2018 Gapping Levels

Issue/Background:

This briefing note summarizes by City Program and Agency, gapping levels included in the 2018 Preliminary Operating Budget. Both the 2018 gapping savings and the 2018 gapping rates are provided with the former representing cost savings in the 2018 preliminary salaries and benefits budget and the latter representing the relationship of those cost savings as a percentage of the 2018 preliminary salaries and benefits budget.

A comparison of the gapping data for 2017 is provided in the attached Appendix, while the 2016 gapping rate is also provided for reference purposes.

Key Points:

- Gapping represents the difference between funding that would be required for full salaries, wages and benefits for the entire stated complement of a particular staff unit and the actual funding provided. Gapping represents the savings that can be achieved as a result of vacancies or staff turnover not intended to be filled (known gapping) and an allowance for unplanned or unanticipated staff turnover (unknown gapping).
- Savings as a result of gapping is incorporated by way of a budget expense reduction into the annual operating budget and is monitored regularly and reported to Committee and Council on a quarterly basis.
- The gapping rate is expressed as the savings or reduction in salary and benefit costs, as a percentage of the total salaries and benefits budget.
- Gapping is a budgeting measure that accounts for the fact that staff turnover occurs naturally, resulting in a gap in time between when a position becomes vacant and when it is filled again and is expressed in a dollar amount and not a position count. It is not based on employee type or union affiliation. As a result, gapping targets are not established specifically for front line or management/non-union positions. It is appropriate to assume that gapping experienced by a particular program will be reflective of the specific workforce mix.
- City Programs and Agencies are expected to realize gapping savings annually by managing the recruitment of new hires throughout the year.
- For 2018, City Programs and Agencies were instructed to at least maintain the same percentage rate of gapping as in 2017. Any proposed change to budgeted gapping rates is deemed to have a service impact.

- For example, a decrease in gapping is treated as a New/Enhanced Service Change in the Operating Budget as it will enhance current service levels.
- 2018 gapping savings reflect a decrease of \$0.728 million from 2017 budgeted gapping which represents an overall gapping rate of 1.3% of salary and benefits costs. This is a decrease of 0.1% compared to the 2017 gapping rate, as outlined in Table 1 below.

Table 1 - Gapping Comparison
(\$000s)

(In Millions)	2017 Gapping		2018 Gapping	
	\$	%	\$	%
City Operations	59.439	2.5	58.816	2.5
Agencies	10.793	0.4	10.687	0.4
Total	70.232	1.4	69.504	1.3

- The decreased gapping rate in 2018 is driven primarily by the reversal of one-time gapping included in the 2017 Approved Operating budget, as detailed below:
 - A reduction in gapping of \$0.630 million as a result of the reversal of the bridging strategy recommended in 2017 that increased gapping for administrative staff vacancies within the Shelter, Support and Housing Administration program.
 - A reduction in gapping of \$0.275 million for the City Clerk's Office as a result of lower client demand for Information Production in 2017 which is not expected to reoccur in 2018.
 - A combined reduction in gapping of \$0.073 million for the Office of the Lobbyist Registrar and the Mayor's Office, as a result of the reversal of one-time position specific gapping.
- Please refer to the attached Appendix for a detailed comparison of the gapping trend for City Programs and Agencies from 2016 to 2018.

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Date: December 12, 2017

City of Toronto
Appendix 1
Gapping Analysis
2018 Preliminary Operating Budget
(\$000s)

Division/Program	2016	2017 Approved Budget			2018 Preliminary Budget			Change from 2017 to 2018
	Gapping Rate	Gross Sal & Ben Excluding Gapping	Gapping Savings	Gapping Rate	Gross Sal & Ben Excluding Gapping	Gapping Savings	Gapping Rate	Gapping Rate
Citizen Centred Services "A"								
Affordable Housing Office	1.8	2,887.6	51.6	1.8	3,079.5	50.7	1.7	(0.1)
Children's Services	0.5	89,804.8	395.3	0.4	96,068.0	395.3	0.4	
Court Services	15.3	21,204.1	551.6	2.6	20,172.5	551.6	2.7	0.1
Economic Development & Culture	2.8	31,346.6	871.6	2.8	30,486.3	871.6	2.9	0.1
Toronto Paramedic Services	1.8	180,229.7	2,831.9	1.6	181,678.2	2,831.9	1.6	
Long-Term Care Homes & Services		208,624.6			210,440.9			
Parks, Forestry & Recreation	2.3	307,799.4	7,683.8	2.5	313,647.5	7,715.7	2.5	
Shelter, Support & Housing Administration	3.6	78,097.7	3,328.0	4.3	79,975.8	2,698.3	3.4	(0.9)
Social Development, Finance & Administration	2.9	17,881.2	502.8	2.8	17,917.9	502.8	2.8	
Toronto Employment & Social Services	1.6	188,457.3	3,848.0	2.0	187,355.1	3,848.0	2.1	
Subtotal - Citizen Centred Services "A"	1.9	1,126,333.0	20,064.7	1.8	1,140,821.6	19,465.9	1.7	(0.1)
Cluster "B"								
City Planning	3.8	44,592.1	1,627.3	3.6	47,181.1	1,748.9	3.7	0.1
Fire Services	2.0	443,760.0	8,716.4	2.0	450,858.7	8,859.1	2.0	
Municipal Licensing & Standards	2.2	46,034.1	978.6	2.1	48,884.7	978.6	2.0	(0.1)
Policy, Planning, Finance & Administration	4.0	19,722.6	781.8	4.0	20,178.9	788.2	3.9	(0.1)
Engineering & Construction Services	4.0	67,396.6	2,830.6	4.2	68,540.3	2,833.6	4.1	(0.1)
Toronto Building	2.8	50,161.1	1,453.1	2.9	50,702.4	1,473.6	2.9	
Transportation Services	6.2	110,132.3	6,588.3	6.0	112,847.2	6,588.3	5.8	(0.1)
Subtotal - Citizen Centred Services "B"	3.0	781,798.8	22,976.1	2.9	799,193.4	23,270.3	2.9	
Internal Services								
Facilities, Real Estate, Environment & Energy	3.1	99,216.3	3,241.1	3.3	99,887.9	3,267.4	3.3	
Fleet Services	2.9	19,943.1	585.6	2.9	20,028.4	604.6	2.9	
Information & Technology	3.7	72,966.8	4,016.8	5.5	73,816.6	4,027.1	5.5	
311 Toronto	2.1	16,702.3	352.9	2.1	17,396.0	358.9	2.1	
Subtotal - Internal Services	3.3	208,828.5	8,196.4	3.9	211,128.9	8,258.1	3.9	
Chief Financial Officer								
Office of the Chief Financial Officer	2.2	14,741.9	314.7	2.1	15,115.0	322.9	2.1	
Office of the Treasurer	2.8	60,410.1	1,783.0	3.0	59,995.9	1,786.5	3.0	
Subtotal - Chief Financial Officer	2.6	75,152.0	2,097.7	2.8	75,110.9	2,109.4	2.8	
City Manager								
City Manager's Office	5.2	54,580.6	2,808.6	5.1	49,782.6	2,544.2	5.1	
Subtotal - City Manager	5.2	54,580.6	2,808.6	5.1	49,782.6	2,544.2	5.1	
Other City Programs								
City Clerk's Office	3.4	34,376.7	1,351.1	3.9	34,324.4	1,076.0	3.1	(0.8)
Legal Services	2.6	49,807.7	1,152.3	2.3	52,313.4	1,273.7	2.4	0.1
Mayor's Office		2,282.2	78.1	3.4	2,222.4	18.8	0.8	(2.6)
City Council	2.8	19,026.6	700.0	3.7	19,197.3	800.0	4.2	0.5
Auditor General's Office		5,376.9			5,997.6			
Integrity Commissioner's Office		482.2			486.9			
Office of the Lobbyist Registrar		1,077.4	13.6	1.3	1,087.4			(1.3)
Office of the Ombudsman		1,616.9			1,636.1			
Subtotal - Other City Programs	2.7	114,046.7	3,295.1	2.9	117,265.5	3,168.5	2.7	(0.2)
TOTAL - CITY OPERATIONS	2.5	2,360,739.6	59,438.6	2.5	2,393,302.9	58,816.5	2.5	
Agencies								
Toronto Public Health	5.0	193,474.7	9,919.9	5.1	194,192.5	9,814.3	5.1	(0.1)
Toronto Public Library		147,654.8			147,786.9			
Association of Community Centres		6,968.1			7,001.1			
Exhibition Place	0.6	31,672.4	181.1	0.6	31,898.4	181.1	0.6	
Heritage Toronto		524.8			584.9			
Theatres		13,287.7			16,224.8			
Toronto Zoo	2.3	30,774.7	692.0	2.2	31,256.3	692.0	2.2	
Arena Boards of Management		4,692.0			4,776.7			
Yonge-Dundas Square		602.0			708.8			
Toronto & Region Conservation Authority		34,531.7			36,696.5			
Toronto Transit Commission - Conventional		1,307,006.3			1,317,273.0			
Toronto Transit Commission - Wheel Trans		59,030.0			61,366.3			
Toronto Police Service		1,006,149.8			1,002,926.5			
Toronto Police Services Board		1,019.5			1,019.5			
Subtotal - Agencies	0.1	2,837,388.4	10,792.4	0.4	2,853,712.2	10,687.3	0.4	
TOTAL - TAX SUPPORTED OPERATIONS	1.4	5,198,128.0	70,231.5	1.4	5,247,015.0	69,503.8	1.3	(0.1)