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## 2018 OPERATING BUDGET BRIEFING NOTE

### Efficiency Savings Achieved in 2017 & 2018

#### Issue/Background:

- This briefing note outlines operating efficiency savings realized during the 2017 Budget process and included for consideration in 2018. As part of the City's continuous improvement, transformation and modernization initiatives, City Programs and Agencies have identified efficiency savings associated with these actions that have contributed to achieving budget targets.
- Specifically, City Programs and Agencies are directed annually to explore all services and activities for efficiency savings through:
  - Transformation and innovation of service delivery
  - Cross-divisional collaboration
  - Functional and organizational reviews
  - Vacancy and attrition opportunities
  - Reengineering and/or streamlining of business processes
  - Rationalization of space, technology, equipment and vehicles
  - Continued implementation of Shared Services
- Through the 2017 and 2018 Budget processes, City Programs and Agencies have identified efficiency measures that have resulted in a combined \$53 million in Operating budget savings on an annualized basis. This translates into a reduction of 314 positions over three years.

Net Service Efficiency Savings					
\$ Millions	2017 Council Approved Budget	2018 Preliminary Operating Budget	2019 Plan	Total Annual	Positions
2017 Efficiencies	\$23	\$2		\$25	218
2018 Efficiencies		\$21	\$6	\$27	96
<b>Total</b>	<b>\$23</b>	<b>\$23</b>	<b>\$6</b>	<b>\$53</b>	<b>314</b>

- Full details regarding individual City Program or Agency specific efficiencies can be found 2018 Preliminary Operating Budget Notes at [toronto.ca/budget2018](http://toronto.ca/budget2018).

**Key Points:**

**2017 Operating Efficiency Savings Summary**

- In 2017, City Programs and Agencies identified \$29 million gross and \$23 million net in efficiency savings, including a reduction of 215 positions, through business modernization and continuous improvement.
- A full breakdown of the efficiency savings by City Program and Agency can be found in Appendix A – 2017 Operating Efficiency Savings
- Service efficiencies that are implemented mid-year with part year implementation resulted in additional net savings of \$2.2 million in 2018 to reflect the full year impact.
- The following table highlights incremental net savings of \$2.2 million included in the 2018 Preliminary Operating Budget as of a result of 2017 efficiencies implemented mid-year:

<b>Annualization of 2017 Decisions included in 2018 Preliminary Budget</b>			
<b>(In \$ Thousands)</b>	<b>Description</b>	<b>Net</b>	<b>Pos</b>
Parks, Forestry & Recreation	- Ski-Snowboard seasonal realignment (\$0.049 million) - Relocation of programming from TDSB schools (\$0.386 million) - Reductions to program support (\$0.174 million & 3 positions)	(608.7)	(3.1)
Fleet Services	- Savings from Alternate Service Delivery Model	(469.1)	
Toronto Employment & Social Services	- Additional rent revenue due to co-location with ODSP at Wellesley Office(\$0.15 million) - Changes in the process for issuing client payments (\$0.14 million) - Centralized divisional eligibility review model (\$0.099 million)	(400.2)	
Facilities, Real Estate, Environment & Energy	- Facilities preventative maintenance	(300.0)	
City Clerk's Office	- Transitioning service delivery to digital records	(155.2)	
Toronto Public Library	- Investing in automation, technology and printing hardware to streamline processes	(100.0)	
Office of the Treasurer	- Modernization of payment processing function	(85.9)	
Other		(47.2)	
<b>Total</b>		<b>(2,166.2)</b>	<b>(3.1)</b>

## 2018 Preliminary Operating Efficiency Savings Summary

- Included in the 2018 Preliminary Operating Budget is \$21 million net in savings and a reduction of 84.2 positions arising from the implementation of efficiency measures.
- A full breakdown of the efficiency savings by City Program and Agency can be found in Appendix B – 2018 Preliminary Operating Efficiency Savings
- The implementation of these efficiency measures will result in additional savings in 2019 of \$6 million gross and net and a further reduction of 11.5 positions. These efficiencies are summarized below:

		2018 Preliminary Operating Budget		2019 Plan	
(In \$ Thousands)	Description	Net	Pos	Net	Pos
Toronto Transit Commission	- Material and Procurement initiatives	(5,548.0)	(1.0)	(5,407.9)	
Toronto Employment and Social Services	- Two Way Secure Email Communication (\$2.4 million & 28 position) - Increase span of control ratio from 10 staff to 11 staff to 1 supervisor (\$0.9 million & \$7 position) - Decrease in administration activities from new Provincial legislation (\$0.7 million and 7 positions)	(4,201.3)	(42.0)	(1,122.6)	(7.0)
Corporate Expenditures	- Ministry of Transportation of Ontario (MTO) searches will be changed to perform the search on Day 15, which will reduce MTO fees paid to the Province	(3,792.5)			
Toronto Public Library	- One-time savings (that will be reversed in 2019) from redeployment of staff to vacant position due to closure of North York Central Library (\$1.3 million)	(1,250.0)		1,250.0	
	- Consolidation of print and electronic serials (\$0.3 million) - Implementation of the Answerline & Community Rental Space Modernization (\$0.24 million & 3 positions) - Enhancement to VOIP (Voice Over Internet Protocol), improving payment solutions and replacing printers, scanners, fax machines and copiers with Multi-Function Devices. (\$0.24 million & 1.5 positions)	(805.0)	(4.5)	(475.0)	(4.5)
City Clerk's Office	- Service Transformation program	(1,147.0)	(11.0)	(120.2)	
Other		(4,539.0)	(25.7)	(228.7)	
<b>Total</b>		<b>(21,282.8)</b>	<b>(84.2)</b>	<b>(6,104.3)</b>	<b>(11.5)</b>

### Attachments:

Appendix A – 2017 Operating Efficiency Savings

Appendix B – 2018 Preliminary Operating Efficiency Savings

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