



OPERATING PROGRAM SUMMARY



Facilities Management and Real Estate

2014 OPERATING BUDGET OVERVIEW

What We Do

Facilities Management and Real Estate work across the City with their clients and stakeholders to deliver a comprehensive range of environmental programs, facility management and real estate services in an efficient and effective manner that fully utilize the City's property assets.

2014 Budget Highlights

(In \$000s)	2013 Budget	2014 Budget	Change	
			\$	%
Gross Expenditures	184,458.9	186,343.5	1,884.7	1.0%
Gross Revenue	121,412.5	123,297.2	1,884.7	1.6%
Net Expenditures	63,046.4	63,046.4	0.0	0.0%

The 2014 Operating Budget for Facilities Management and Real Estate is \$186.344 million gross and \$63.046 million net. This represents zero percent increase when compared to the 2013 Approved Operating Budget.

The Program is managing pressures mainly arising from the cost of inflation, cost of living increases for staff as well as the operating impact of capital projects that total \$5.104 million. Through ongoing operational efficiencies, savings in utility expenses and increased leasing revenues, the Program was able to offset these budgetary pressures while maintaining the same level of services for 2014.

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Fast Facts

- Manage 277 City-owned facilities covering more than 9.6 million square feet.
- Achieve waste diversion rate at 85%.
- 95% of properties sold at or above appraised value.
- Respond to facility maintenance inquiries within 3 days - 100%.

Trends

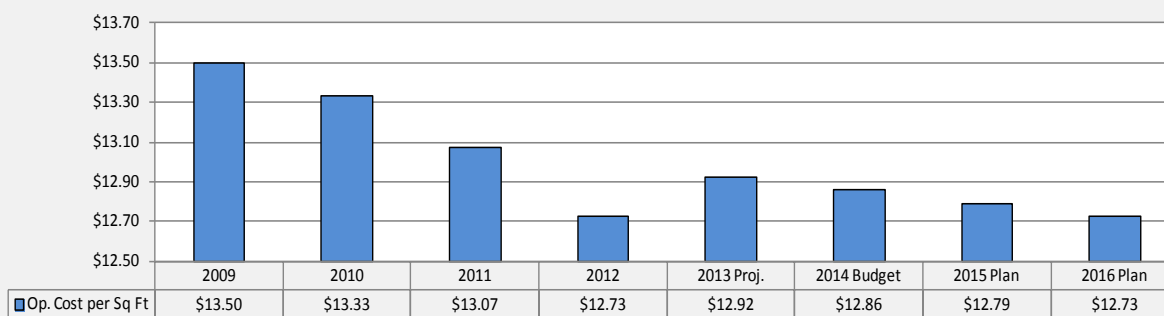
- Facilities Management strives to operate efficiently to maintain a square foot cost allocation that reflects good value for money in a municipal setting.
- The operating costs per sq ft have been decreasing due to workforce planning to utilize a mixed service model for custodial and maintenance services, emphasizing a preventative maintenance plan and updating a control system to realize energy efficiencies.

Our Service Deliverables for 2014

Facilities Management and Real Estate protects, maintains and maximizes the City's investment in its public buildings and real property. The 2014 Operating Budget will:

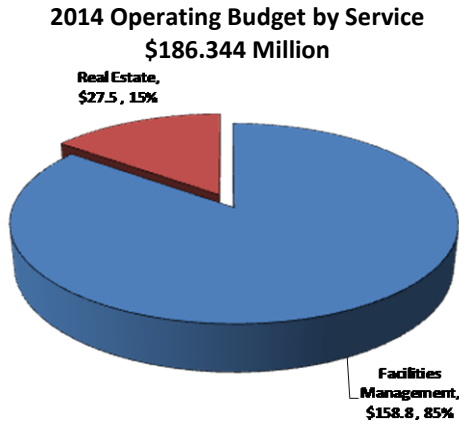
- Maintain City facilities in a clean, safe, and accessible manner as per Council approved maintenance standards.
- Ensure the City's property portfolio is optimal and meets program requirements.
- Monitor and promote the use of standard facilities protocols under the Facilities Maintenance Standards within City programs and conduct building conditions assessments on 20% of the building stock.
- Develop and implement Council priority capital projects including: Union Station Redevelopment, Nathan Phillips Square Redevelopment and St Lawrence Market North.
- 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.
- 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.

Operating Cost per Sq Ft

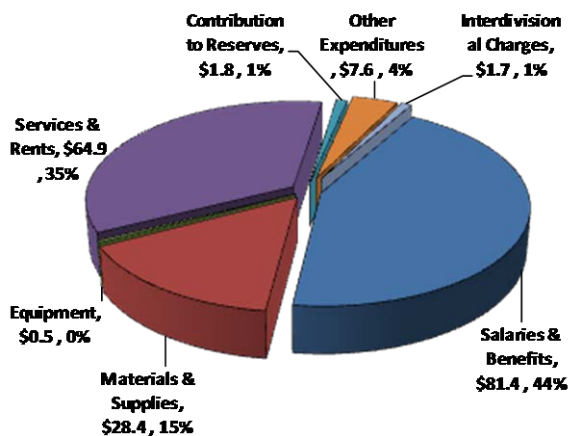


2014 Budget Expenditures & Funding

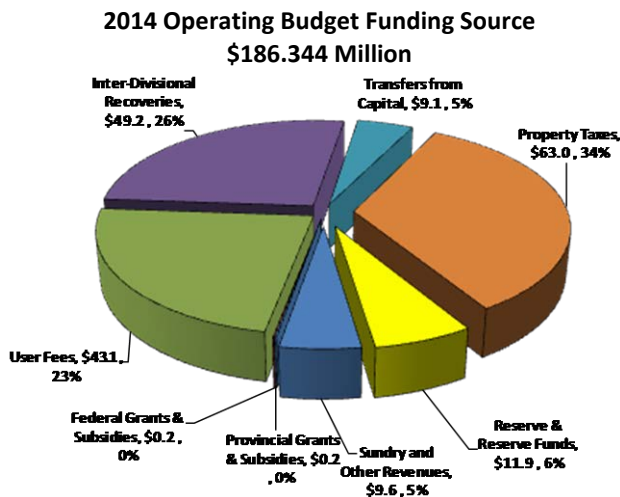
Where the money goes:



2014 Operating Budget by Expenditure Category



Where the money comes from:



Our Key Challenges and Priority Actions

- Grow and enhance Real Estate portfolio through Build Toronto, land sales and program accommodation, acting on opportunities in a timely manner while adhering to City policies and procedures.
- Manage the day-to-day "landlord" and "asset manager" role to address tenant issues at Union Station while the facility remains active and open to the public.
- Initiate organizational restructuring for Real Estate Services to promote and build the business for the St. Lawrence Market Complex, maximize leasing revenue potential and reduce cost of leasing from third party landlords.
- Engage internal and external stakeholders in environmental initiatives to develop environment and energy programs and policies that provide value to the City and the wider Toronto community by reducing emissions to the environment, improving energy efficiency through proper use and maintenance of Building Automation Systems to all City buildings following Auditor General's recommendations, ensuring a secure energy supply, and increasing resilience to extreme weather events.

II: COUNCIL APPROVED BUDGET

City Council approved the following recommendations:

1. City Council approve the 2014 Operating Budget for Facilities Maintenance and Real Estate of \$186.344 million gross and \$63.046 million net, comprised of the following services:

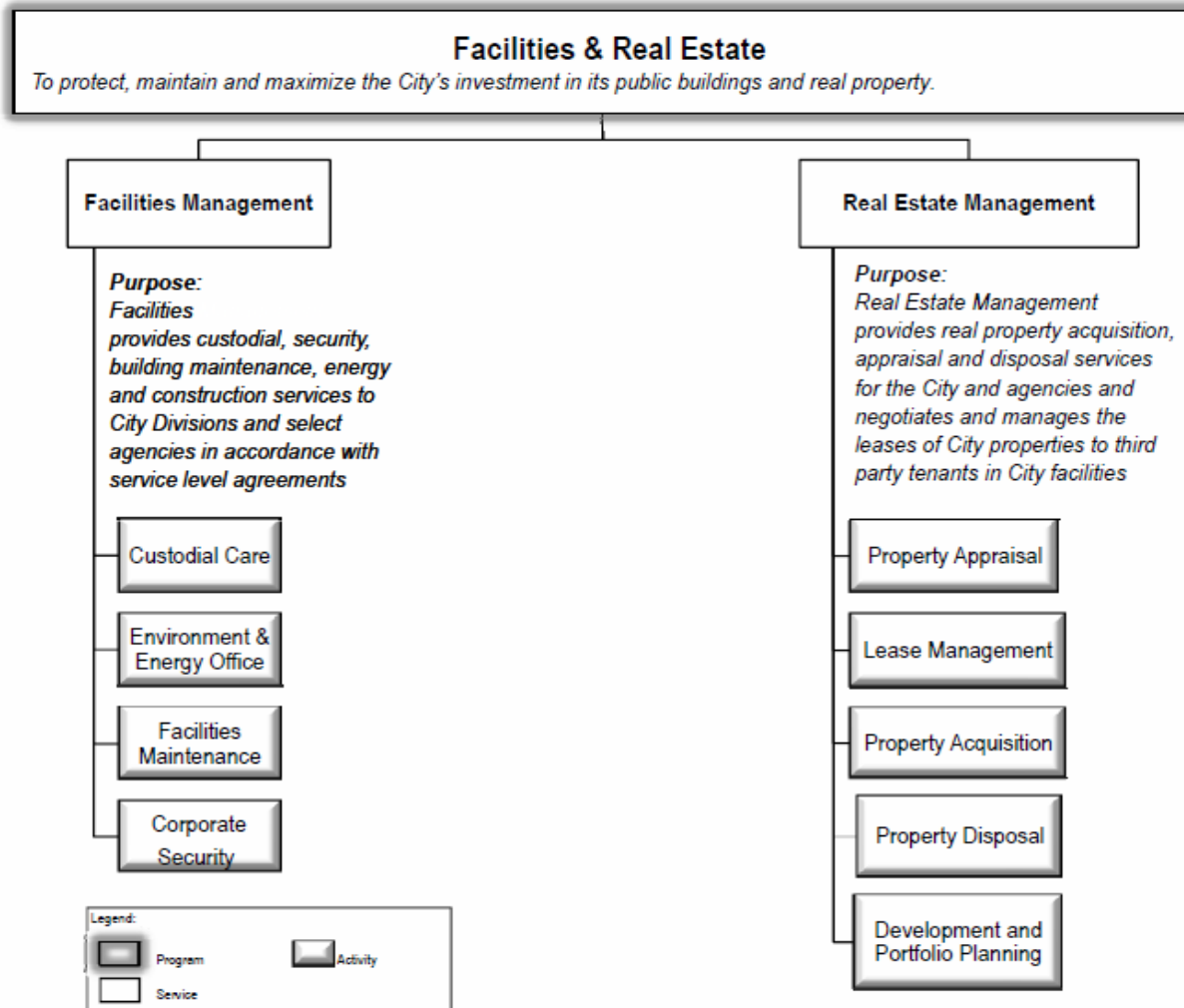
<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Facilities Management	158,821.4	88,195.6
Real Estate	27,522.1	(25,149.2)
Total Program Budget	<u>186,343.5</u>	<u>63,046.4</u>

2. City Council approve Facilities Management and Real Estate's 2014 service levels, as outlined on page 7 - 9, and associated staff complement of 879.7 positions.
3. City Council approve the Fees for Transfer as detailed in Appendix 6 (page 32) to the 2014 Operating Budget for Facilities Management and Real Estate and the appropriate adjustments be made to the Municipal Code Chapter 441 "Fees and Charges".
4. City Council, in order to complete the City's hazard abatement, repair and post clean-up activities, increase the 2014 Operating Budget by \$29.811 million gross and \$0 net, to be funded from the application of a portion of the Provincial and Federal governments' one-third financial assistance for the December 2013 winter storm costs. (**Note:** this includes a one-time increase of \$0.103 million gross and \$0 net for Facilities Management and Real Estate that has not been incorporated in the tables presented in these notes)

III: 2014 SERVICE OVERVIEW AND PLAN

Program Map

The 2014 service levels for Facilities Management and Real Estate activities are summarized as follows:



Service Customer

Facilities Management

- Visitors
- Residents
- City Employees
- Agencies,
- City Divisions
- Community Groups
- Provincial and Federal agencies
- Residential / commercial tenants
- Toronto building owners

Real Estate Management

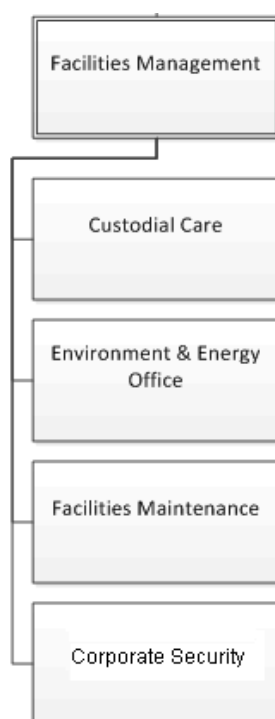
- Visitors
- Residents
- City employees
- Agencies
- City Divisions
- Community Groups
- Provincial and Federal agencies
- Residential / commercial tenants
- Toronto building owners.

2014 Service Deliverables

The 2014 Operating Budget of \$186.343 million gross and \$63.046 million net for Facilities Management and Real Estate 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 Redevelopment, Nathan Phillips Square Redevelopment 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.

Service Profile: Facilities Management



What we do

- Provide custodial, security, building maintenance, energy and construction services to City Divisions and agencies in accordance with service level agreements.

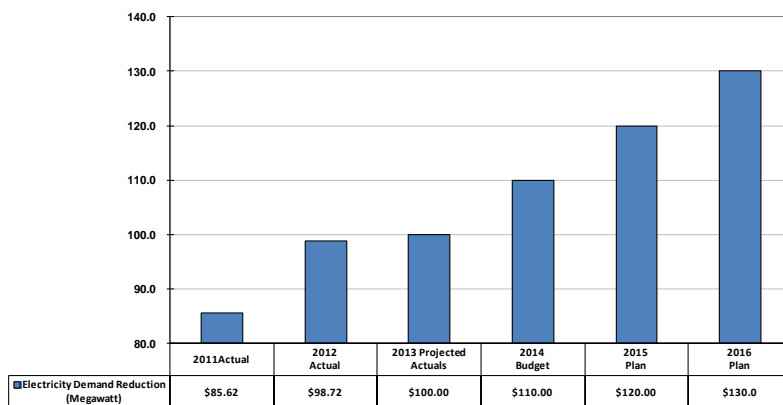
2014 Service Levels

Facilities Management

Activity	Type		Service Levels			
			2011	2012	2013	2014
Custodial Care	Cleaning Services for City Run Programs	Approved	90% Compliance			
	Cleaning Services for non City Run Programs	Approved	90% Compliance			
Environment and Energy Office	Energy Supply Agreements	Approved	Uninterrupted utility service as a result of contracting 100% of the time			
	Energy Retrofits	Approved	Savings of up to 25% of building energy use			
	Administer Loan Programs	Approved	100% loan repayments are received on time with no defaults			
	Funding Agreements	Approved	Average 22 Megawatt per year			
	Waste Management	Approved	N/A	N/A	Grow Corporate diversion rate beyond current 70% level	
	Renewable Energy	Approved	2 million kW.h generated and related revenues created		2 million kW.h generated and related revenues created	2.6 million kW.h generated and related revenues created
Facilities Maintenance	Scheduled Maintenance - Preventative	Approved	95% Compliance			
	Scheduled Maintenance - On Demand	Approved	90% Compliance			
	Asset Facility Management / Preservation	Approved	90% Compliance			
	Environmental Assessments	Approved	95% Compliance			
	Regulatory Compliance	Approved	100% Compliance			
Corporate Security	Divisional Security Plan Assessments	Approved	95% Compliance			
	Divisional Security Plan Implementations	Approved	95% Compliance			
	Resolve Security Threats	Approved	95% Compliance			

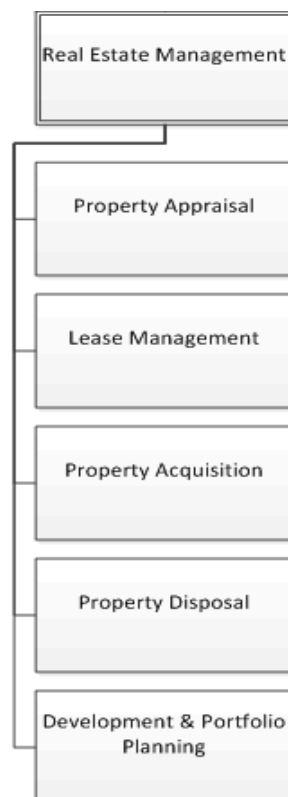
Service Performance Measures

Outcome Measure – Electricity Demand Reduction (Megawatt)



- This graph represents cumulative amounts. Since 2011, there has been reduction in electricity demand every year.
- The goal of the Environment and Energy Office 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.

Service Profile: Real Estate Management



What we do

- Provide real property acquisition, appraisal and disposal services for the City and agencies and negotiate and manage leases of City properties with third party tenants.

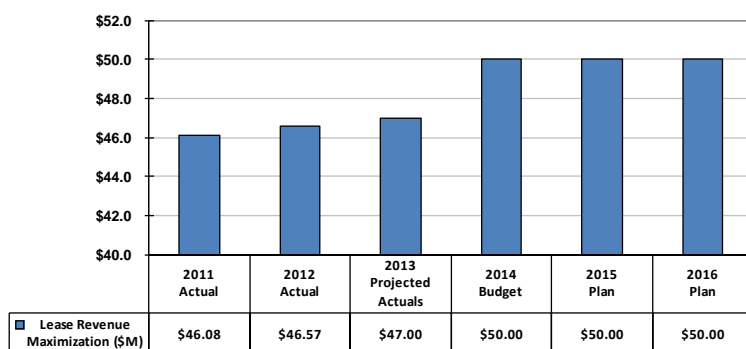
2014 Service Levels

Real Estate Management

Activity	Type		Service Levels			
			2011	2012	2013	2014
Property Appraisal	Properties Appraised	Approved	90% Compliance			
Lease Management	Property Leasing	Approved	95% Compliance			
	Negotiate New Leases	Approved	95% Compliance			
	Renew Leases	Approved	95% Compliance			
	Terminate Leases	Approved	100% Compliance			
	Lease Payments	Approved	100% Compliance			
	Receive Lease Revenue	Approved	95% Compliance			
	Property Assessment Review	Approved	100% Compliance			
	Property Assessment Savings & Revenues	Approved	100% Compliance			
Property Acquisition	Real Estate Acquisitions and Expropriations	Approved	80% Compliance			
Property Disposal	Real Estate Disposal - Market Rates	Approved	100% Compliance			
Development and Portfolio Planning	Review Propoerty Portfolio	Approved	100% Compliance			

Service Performance Measures

Efficiency Measure - Lease Revenue Maximization (\$M)



- This measure demonstrates the revenue generation maximized for the lease of City properties.
- The increases in 2011 and 2012 are related to new leases, lease adjustments and renewals.
- The 2013 projection is greater despite reversals of lease revenue and transfer of City properties to Build Toronto as Union Station revenue is higher than forecast.
- The 2014 and 2016 forecasts are on the basis of sustained revenue generation.

IV: 2014 Operating Budget

2014 Operating Budget (In \$000s)

(In \$000s)	2013		2014 Operating Budget			2014 vs. 2013 Budget Approved Changes		Incremental Change 2015 and 2016 Plan			
	Approved Budget	Projected Actual	2014 Base	2014 New/Enhanced	2014 Budget			2015		2016	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Facilities Management											
Gross Expenditures	157,423.5	145,439.6	158,716.7	104.7	158,821.4	1,398.0	0.9%	4,805.4	3.0%	3,221.4	2.0%
Revenue	70,727.1	59,195.1	70,521.1	104.7	70,625.8	(101.2)	(0.1%)	100.0	0.1%	(180.0)	(0.3%)
Net Expenditures	86,696.4	86,244.5	88,195.6	-	88,195.6	1,499.2	1.7%	4,705.4	5.3%	3,401.4	3.7%
Real Estate											
Gross Expenditures	27,035.4	26,864.7	27,447.2	74.9	27,522.1	486.7	1.8%	635.7	2.3%	403.7	1.4%
Revenue	50,685.4	52,159.6	52,596.4	74.9	52,671.3	1,985.9	3.9%	39.3	0.1%	2.4	0.0%
Net Expenditures	(23,650.0)	(25,294.9)	(25,149.2)	-	(25,149.2)	(1,499.2)	(6.3%)	596.4	2.4%	401.3	1.6%
Total											
Gross Expenditures	184,458.9	172,304.3	186,163.9	179.6	186,343.5	1,884.7	1.0%	5,441.1	2.9%	3,625.1	1.9%
Revenue	121,412.5	111,354.7	123,117.5	179.6	123,297.1	1,884.6	1.6%	139.3	0.1%	(177.6)	(0.1%)
Total Net Expenditures	63,046.4	60,949.6	63,046.4	-	63,046.4	0.0	0.0%	5,301.8	8.4%	3,802.7	5.6%
Approved Positions	848.2	778.0	874.2	5.5	879.7	31.5	3.7%				

Note: In addition to the 2014 Budget reflected in the table above, a one-time increase of \$0.103 million gross and \$0 net has been approved by Council for Facilities Management and Real Estate in 2014 to complete the City's hazard abatement, repair and post clean-up activities related to the December ice-storm.

The 2014 Operating Budget for Facilities Management and Real Estate of \$186.344 million gross and \$63.046 million net is comprised of the following services:

- **Facilities Management Service** is \$1.499 million net or 1.7% over the 2013 Approved Budget of \$86.696 million net.
 - This change arises from increases for contractually obligated wage increases, increased benefits costs, step increases and progression pay. To mitigate these budgetary pressures, a number of reduction strategies are approved including reducing utility expenses through the implementation of energy conservation and efficiency projects, negotiating utility contracts resulting in lower rates, absorbing inflationary increases, and reducing salary and benefit costs by budgeting vacant positions at lower salary range to comply with the new budgetary guidelines executed through the Personnel Expenditure Projection (PEP) functionality in Public Budget Formulation (PBF) tool.
 - Future year incremental costs are primarily attributable to known increases in salaries and benefits as mentioned above as well as the inflationary increases in non salary expenses mainly in utilities and contracts.
- **Real Estate Service** is \$1.499 million net or 6.3% under the 2013 Approved Budget of \$23.650 million net.
 - The year over year net decreases in this service results mainly from increased leasing revenues of \$0.750 million and recovery of insurance costs of \$0.250 million which were

historically not charged back to tenants at Union Station, Old City Hall and St. Lawrence Market because the insurance costs could not be isolated by location in the past.

- Future year incremental costs are mainly attributable to inflationary increases for salaries and benefits and for non-salary costs.

Approval of the 2014 Budget will result in an increase of 31.5 positions to the Program's approved staff complement, resulting in a change from 848.2 to 879.7 positions as highlighted in the table below:

2014 Total Staff Complement

Changes	2014 Budget	2015 Plan	2016 Plan
Opening Complement	847.2	879.7	879.7
In-year Adjustments	1.0		
Adjusted Staff Complement	848.2	879.7	879.7
Change in Staff Complement			
- Temporary Complement - capital project delivery	2.0		
- Residential Energy Retrofit Pilot Program	1.0		
- Real Estate Reorganization	5.0		
- Casual Part-time Security Guards	20.0		
- Conversion from Temp to Perm			
Property Taxation Analyst			
Manager, Client Services			
- Service Change Adjustments	(2.0)		
- Enhanced Service Priorities	5.5		
Total 2014 Staff Complement	879.7	879.7	879.7
% Change over prior year	3.7	-	-

- 2 capital funded temporary positions, including a Systems Integrator 1 and a Senior Business and Systems Analyst, are required for the delivery of new 2014 capital project delivery for the CCOO Management Reporting Initiative which leverages the functionality implemented by the FPARS project.
- City Council, at its meeting on July 11, 2013, provided approval to the Environment and Energy Office to implement the Residential Energy Retrofit Pilot Program which provides funding for property owners to undertake qualifying energy and water improvements. One temporary Senior Energy Consultant position will support the marketing and required technical/professional services for the pilot program and will be funded from the Local Improvement Charge Energy Works Reserve Fund.
- The organizational restructuring for Real Estate Services will increase the number of staff complement by 5 positions on a permanent basis, consisting of a Manager, Leasing Services and 2 Support Assistants dedicated to the St. Lawrence Market Complex to help actively promote and build the business, a Support Assistant in the Leasing and Site Management unit to work on past due leases to maximize leasing revenues, and a Manager, Business Services to improve capacity in strategic planning and overall real estate management within the Director's office. The costs of implementing the reorganization will be fully offset by savings in utilities.

- FM&RE has historically budgeted for casual part-time Security Guards as a lump sum rather than as individual positions. These casual part-time Security Guards provide 24/7 operation requirements at City Hall, Metro Hall, Civic Centres and various client sites. These casual part-time employees have been budgeted as individual positions as part of the FPARS Complement Data Clean Up exercise, which will increase the complement by 20 FTEs on a permanent basis under Corporate Security with no financial impact.
- The conversion of 2 temporary positions (Property Tax Analyst and Manager, Client Services) to permanent status is necessary. A Property Tax Analyst position addresses all issues related to assessment and property taxes where the City is acting as a landlord or as a tenant on a permanent basis. The role of Manager, Client Services, which was originally dedicated for Facilities Transformation Project, has been expanded to manage the increased project workload in the Quality Assurance and Decision Support Unit. There is no financial impact arising from this conversion as the budget for these two positions already exist as part of the current Council Approved Complement for Facilities Management and Real Estate.
- Included in the service change adjustments is the deletion of 2 vacant positions (Cleaner and Facility Foreperson) related to custodial and facilities maintenance duties for Toronto Police Service. A detailed review of Toronto Police Service's operating expenses over the past years based on actual experience determined that these positions are no longer required.
- 5.5 positions are added to the Program's 2014 Approved Staff Complement for enhanced service priorities. Among the new positions, 1 Property Manager is dedicated to addressing tenant issues at Union Station; 1 Project Coordinator within the Environment and Energy Office is needed for its continued work on Building Automation Systems to ensure proper use of green technology; and 3.5 Security Guards provide enhanced security services to meet client needs. These positions will result in \$0 net impact on the budget as the costs will be fully offset by a combination of inter-divisional recoveries from clients or reallocation of utility and/or contracted services budget.

**2014 Base Budget
(In \$000s)**

(In \$000s)	2013 Approved Budget	2014 Base	Change 2014 Base vs. 2013 Approved Budget		Incremental Change			
					2015 Plan		2016 Plan	
By Service	\$	\$	\$	%	\$	%	\$	%
Facilities Management								
Gross Expenditures	157,423.5	158,716.7	1,293.2	0.8%	4,805.4	3.0%	3,221.4	2.0%
Revenue	70,727.1	70,521.1	(206.0)	(0.3%)	100.0	0.1%	(180.0)	(0.3%)
Net Expenditures	86,696.4	88,195.6	1,499.2	1.7%	4,705.4	5.3%	3,401.4	3.7%
Real Estate								
Gross Expenditures	27,035.4	27,447.2	411.8	1.5%	635.7	2.3%	403.7	1.4%
Revenue	50,685.4	52,596.4	1,911.0	3.8%	39.3	0.1%	2.4	0.0%
Net Expenditures	(23,650.0)	(25,149.2)	(1,499.2)	(6.3%)	596.4	2.4%	401.3	1.6%
Total								
Gross Expenditures	184,458.9	186,163.9	1,705.0	0.9%	5,441.1	2.9%	3,625.1	1.9%
Revenue	121,412.5	123,117.5	1,705.0	1.4%	139.3	0.1%	(177.6)	(0.1%)
Net Expenditures	63,046.4	63,046.4	0.0	0.0%	5,301.8	8.4%	3,802.7	5.6%
Approved Positions	848.2	874.2	26.0	3.1%				

Note: In addition to the 2014 Budget reflected in the table above, a one-time increase of \$0.103 million gross and \$0 net has been approved by Council for Facilities Management and Real Estate in 2014 to complete the City's hazard abatement, repair and post clean-up activities related to the December ice-storm.

The 2014 Base Budget of \$186.164 million gross and \$63.046 million net represents a 0% increase over the 2013 Approved Budget and provides \$5.104 million in funding for base budget increases which have been fully offset in service budget reductions bringing the Program's base budget to the same level as 2013.

The budget reductions of \$5.104 million include base budget savings of \$2.171 million net, base revenue changes of \$1.278 million, savings from efficiencies of \$0.655 million net and revenue increases of \$1.000 million. When applied, the Program has a 0% net increase over the 2013 Approved Operating Budget.

Key cost drivers resulting in base budget pressure of \$5.104 million are detailed in the table below:

**Key Cost Drivers
(In \$000s)**

(In \$000s)	2014 Rec'd Base Budget
Gross Expenditure Changes	
Prior Year Impacts	
Facilities Preventive Maintenance System	85.0
Operating Impacts of Capital	
Re-design of Security Control Centre	35.0
Economic Factors	
Utilities	999.5
Non Utilities	1,482.0
COLA and Progression Pay	
COLA / Progression Pay / Step and Benefits Increases	2,347.4
Total Changes	4,948.9
Revenue Changes	
Revenue Loss re Build Toronto Transfers	155.1
Total Changes	155.1
Net Expenditures	5,104.1

In order to offset the above pressures, base expenditure reductions, revenues changes and adjustments and services efficiencies totaling \$5.104 million net are approved, detailed in the table below:

2014 Service Change Summary by Program
(In \$000s)

Description (\$000s)	2014 Service Changes				Net Incremental Impact			
	Position Change	Gross Exp.	Net Expense	% Change over 2013 Budget	2015		2016	
					Net Expense	Pos.	Net Expense	Pos.
	#	\$	\$	%	\$	#	\$	#
Base Changes:								
Base Expenditure Changes								
<i>Savings from Personnel Expenditure Projection Review</i>		(1,078.1)	(1,078.1)	(1.7%)				
<i>Realignment Based on Actuals - Inter-divisional Charges with Toronto Police Service</i>	(2.0)	(1,335.1)		0.0%				
<i>Line by Line Review</i>		(585.0)	(585.0)	(0.9%)				
<i>Absorb Economic Factors</i>		(508.3)	(508.3)	(0.8%)				
Base Expenditure Change	(2.0)	(3,506.5)	(2,171.4)	(3.4%)	-	-	-	-
Base Revenue Changes								
<i>Recovery for Economic Factor Increases</i>			(1,277.6)	(2.0%)				
Base Revenue Change	-	-	(1,277.6)	(2.0%)	-	-	-	-
Sub-Total	(2.0)	(3,506.5)	(3,448.9)	(5.5%)	-	-	-	-
Service Efficiencies								
<i>Utility Savings</i>		(655.1)	(655.1)	(1.0%)				
Sub-Total	-	(655.1)	(655.1)	(1.0%)	-	-	-	-
Revenue Adjustments								
<i>Increase in Leasing Revenue</i>			(750.0)	(1.2%)				
<i>Tenant Insurance Cost Recovery</i>			(250.0)	(0.4%)				
Sub-Total	-	-	(1,000.0)	(1.6%)	-	-	-	-
Total Changes	(2.0)	(4,161.6)	(5,104.1)	(8.1%)	-	-	-	-

The 2014 service changes consist of base expenditure reductions of \$2.171 million, base revenue increases of \$1.278 million, service efficiency savings of \$0.655 million, and revenue adjustments of \$1.000 million net. In total, the Program has achieved reductions of \$5.104 million net bringing the 2014 Base Budget to \$63.046 million or 0% increase when compared to the 2013 Approved Budget.

The 2014 service changes are discussed below:

Base Expenditure Changes: (Savings of \$3.507 million gross, \$2.171 million net)

Salary and Benefit Adjustments

- Reductions of \$1.078 million gross and net in salaries and benefits reflect the savings resulting from vacant positions budgeted at lower salary ranges based on the new

budgetary guidelines executed through the Personnel Expenditure Projection (PEP) functionality in Public Budget Formulation (PBF) tool.

Re-alignment Based on Actuals

- The inter-divisional charges have been adjusted to reflect the actual utility, custodial and facilities maintenance costs based on actual experience following a detailed review of Toronto Police Service's operating expenses over the past years. These adjustments include the deletion of 2 vacant positions (Facility Foreperson and Cleaner) and base expenditure reductions of \$1.335 million gross and \$0 net to reflect the actual costs with no impact on service levels for 2014.

Line by Line Review

- A line by line review of Facilities Management and Real Estate's Operating Budget results in non payroll savings of \$0.585 million gross and net based on actual expenditures.

Absorption of Economic Factors

- Inflationary increases for non payroll expenditures totalling \$0.508 million gross and net will be absorbed through expenditure monitoring and ongoing operational efficiencies to mitigate the base budget pressures.

Base Revenue Changes: (Revenue of \$1.278 million)

Recovery for Economic Factor Increases

- Various revenue adjustments totalling \$1.278 million are included for 2014. These adjustments are attributable to the recovery from clients and reserves for inflationary increases in labour, contracts, and utilities related to facilities management work on client sites with zero net impact.

Service Efficiencies: (Savings of \$0.655 million gross, \$0.655 million net)

Utilities Energy Demand Forecast and Efficiencies

- Based on a detailed review of actual spending on utilities over the past few years, savings of \$0.655 million gross and net will be realized in 2014 due to ongoing energy efficiency improvements in City facilities and building automation upgrades allowing for better control and scheduling of energy consumption and equipment. The table below outlines the historical cost savings from utilities:

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

Revenue Adjustments: (Savings of \$1.000 million gross, \$1.000 million net)*Increased Leasing Revenue*

- The Leasing and Site Management unit within Real Estate Services is constantly researching and establishing new locations and opportunities to generate new or increased leasing revenues. In addition, as long-term leases come up for renewal, they provide further opportunities to generate income for the City. Based on these activities, it is anticipated that Real Estate Services will generate an additional \$0.750 million in leasing revenue for 2014.

Tenant Insurance Cost Recovery

- Real Estate Services will be able to recover insurance costs of \$0.250 million from tenants at Union Station, Old City Hall and St. Lawrence Market. These insurance costs were historically not charged back to tenants due to inability to isolate these costs by location.

2014 New / Enhanced Service Priority Actions**(In \$000s)**

Description	2014			Net Incremental Impact			
	Gross Expenditures	Net Expenditures	New Positions	2015 Plan		2016 Plan	
				Net Expenditures	# Positions	Net Expenditures	# Positions
Enhanced Services Priorities							
Union Station Property Manager	74.9		1.0				
Project Coordinator - Building Automation Systems			1.0				
Security Guards for TPH, SS&HA, TESS	104.7		3.5				
Total	179.6	-	5.5	-	-	-	-

Enhanced Service Priorities*Union Station Property Manager*

- Funding of \$0.075 million is approved for a permanent Property Manager to respond to and address tenant issues in a timely manner as the Union Station Revitalization Project progresses towards a stage where agreements among the partners (Head Lessee, Metrolinx, VIA, Bank of Nova Scotia, etc) begin to take effect. This position in the Leasing and Site Management unit within Real Estate Services will assist with the day-to-day "landlord" and "asset manager" role. The cost of this position will be fully recovered from tenants through common area maintenance costs at Union Station.

Project Coordinator, Building Automation System

- A permanent Project Coordinator, Building Automation Systems is approved within the Environment and Energy Office for its continued work on Building Automation Systems (BAS) to ensure proper use of green technology. Significant energy savings have been realized through the installation and maintenance of BAS controls to City buildings. Currently, there is a significant gap in the City's available resources to address the maintenance of Building Automation Systems. This position will help improve operations of

BAS and lead to reduced energy and maintenance costs. The cost of this position is \$0.095 million and will be fully offset by reduction in utility expenses.

Security Guards

- 3.5 permanent full-time Security Guards are approved to provide enhanced security services to meet client needs at 277 Victoria Street for Toronto Public Health (TPH), 129 Peter Street for Shelter, Support & Housing Administration (SS&HA), and 100 Conillium Place for Toronto Employment and Social Services (TESS). These positions will improve continuity and stability, result in fewer turnovers for the security staff, and heighten safety and security levels at these locations as the services will be performed by in-house staff rather than contract staff.
- These positions will result in \$0 net impact as the costs will be fully offset by a combination of inter-divisional recoveries from clients and a reallocation of contracted services budget.

2015 and 2016 Plan (In \$000s)

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
COLA/Progression Pay/Step and Benefits	2,598.1		2,598.1	4.1%		1,040.7		1,040.7	1.5%	
Economic Factors	2,728.7		2,728.7	4.3%		2,772.1		2,772.1	4.1%	
Operating Impact of Capital	(25.0)		(25.0)	(0.0%)		(10.0)		(10.0)	(0.0%)	
Annualization	100.0	100.0	-	0.0%		(180.0)	(180.0)	-	0.0%	
Total Incremental Impact	5,401.8	100.0	5,301.8	8.4%	-	3,622.7	(180.0)	3,802.7	5.6%	-

Approval of the 2014 Budget for Facilities Management and Real Estate will result in a 2015 and 2016 incremental increase of \$5.334 million net and \$3.803 million net respectively to maintain 2014 levels of service.

Future year incremental costs are primarily attributable to the following:

Known Impacts

- Cost of living allowances, progression pay, step and benefit changes in 2015 and 2016 of \$2.598 million net and \$1.041 million net respectively are anticipated.
- Incremental gross expenditures are projected to increase by \$2.729 million in 2015 and \$2.772 million in 2016 due to inflationary increases in non salary expenses mainly in utilities and contracts.
- The 2014 Operating Budget provides funding of \$0.035 million for one-time operating impact of capital costs for maintenance, upon completion of the Re-design of Security Control Centres and CCTV (Closed Circuit Television) Infrastructure capital projects in 2013. The future year plans reflect the reductions of these one-time maintenance costs.

- An increase of \$0.100 million gross and \$0 net reflects the annualized costs for the 2 capital funded temporary positions until the end of the first quarter of 2016 for the delivery of new 2014 capital project delivery of the CCOO Management Reporting Initiative.

V: ISSUES FOR DISCUSSION

2014 and Future Year Issues

Status Update on Environment and Energy Office

During the first quarter of 2013, the Toronto Environment Office (TEO) was transferred into the Chief Corporate Officer organization (CCOO) and merged with the Energy and Strategic Initiatives Unit which was part of the Facilities Management Services, to centralize expertise for energy and environment responsibilities under the CCO. A new division known as the Environment and Energy Office (EEO) under the CCOO was created. This re-organization aims to increase and leverage efficiencies among these functional areas and encourage leadership and accountability.

The mandate of EEO is to provide corporate leadership, coordination and accountability for environment and energy sustainability outcomes. To provide strategic direction and guidance to carry out its mandate, the EEO developed a Five Year Business Plan based on the recommendations arising from the Core Service Review and the City Manager's review of environment and energy practices and processes within the City. These guiding principles are described in detail in a report entitled "Environment and Energy Division – Five Year Business Plan (2014 – 2018)" adopted by City Council at its meeting on November 13, 2013.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.PE23.4>

The Business Plan identifies the vision of the Environment and Energy Office as leading the City in developing and implementing innovative environmental and energy policies and programs, and inspiring citizens, businesses, and City staff to participate in making Toronto, North America's most environmentally sustainable City. The Plan also emphasizes on defining operational, strategic and environmental performance indicators and measuring the outcomes of the Environment and Energy Office initiatives, which will help meet Council's greenhouse gas emission reduction targets, while at the same time achieving the City's fiscal responsibility targets.

The 2014 Operating Budget available for Environment and Energy Office is \$42.633 million gross and \$21.807 million net which provides funding to the EEO to achieve its mandate, as set out in the Council approved 5 Year Business Plan by offering and administering various energy savings programs for residents and businesses, such as Eco-Roof Incentives and Building Better Partnerships. An additional Building Automation Systems (BAS) Coordinator is included in the 2014 Operating Budget to provide ongoing training to ensure staff are equipped to operate the Building Automation Systems in City-owned buildings. This additional resource is to address the Auditor General's recommendations during the review of the Energy Retrofit Program as part the Auditor General's Work Plan.

In addition, the 10-Year Capital Plan for the Sustainable Energy Program provides funding for EEO to carry out various energy conservation, renewable energy and other efficiency projects during this period. As the Environment and Energy Office continues to make progress on

implementing the strategic plan, further revisions to the Program Map including the service levels and activities may be required through a future year budget process.

St. Lawrence Market Complex

St. Lawrence Market Complex is comprised of three buildings including the St. Lawrence Hall, and the St. Lawrence North and South Markets. Reviews conducted by a management consultant firm and the City Manager's Office recommended the St. Lawrence Market Complex undergo an organizational restructuring in order to meet its obligations for all aspects of the Complex's daily operations as well as achieve its long term strategic vision, allowing the Complex to realize its full potential.

St. Lawrence Market North Redevelopment

The project was recently approved with a project cost which is reflected in the 2014 - 2023 Capital Plan for Facilities Management and Real Estate. The project entails demolishing the existing north building and replacing it with a multi-storey, multi-purpose facility housing a public market at ground level, compatible ancillary uses on a mezzanine overlooking the market hall, multi-levels of Provincial Offenses Act traffic courts for Court Services, and three levels of public parking below grade for the Toronto Parking Authority. When the project is complete, the new North Market Complex will have a floor area of approximately 230,000 square feet, resulting in a larger portfolio to manage with tenants such as Court Services and the Toronto Parking Authority, a kitchen incubator available to lease to small businesses, a restaurant and café. Approximately 20,000 sq. ft. of the new North Market will be dedicated for rental venues that is anticipated to generate additional leasing revenues upon completion of the redevelopment in 2017.

St. Lawrence Market South Improvements

The South Market has been rated the number one market in the world and provides the City and its residents and visitors with visibility and access to a historic building. The South Market requires improvements in order to sustain a viable operation. The improvements include a reconfiguration of existing interior spaces and expansion of the lower southwest corner to maximize revenue opportunities. The 10-Year Capital Plan has provided funding for FM&RE to complete the preliminary detailed study in preparation for the South Market Complex improvements. It is anticipated that the additional space combined with reconfiguration of existing space will increase future revenues to the City.

The 2014 Operating Budget reflects a restructuring of Real Estate Services' organization. The re-organization will require a staff complement increase from 3 to 6 positions including a Manager, Leasing and Site Management, 2 Supervisors for special events and day-to-day tenant issues, 2 Support Assistants, and 1 Property Development Officer. The costs of implementing the re-organization will be offset by the re-alignment of existing resources and efficiencies with no budget pressures to the City.

These additional resources will address important issues from the recommendations of the

reviews that will allow the St. Lawrence Market Complex to achieve its full potential:

1. Resolve Workload Pressures – currently, the St. Lawrence Market is under-resourced with only 3 staff including a Supervisor, Communication and Marketing Consultant, and an Accounting Assistant. The additional staff from the re-organization will improve customer service for the complex.
2. Manage relationships with the St. Lawrence Market Precinct Advisory Committee - the St. Lawrence Market Precinct Advisory Committee is an advocate for the Market Precinct. This volunteer committee, with membership representation from the hotel, food and real estate industries is responsible for providing input to City staff in the Real Estate Services Division that manage the St. Lawrence Market complex on a wide variety of strategic and operational matters. The new Manager will implement Committee recommendations as per Council authority.
3. Maximize Revenues – the additional resources will develop the business by actively marketing and promoting the St. Lawrence Market Complex as a premier venue for events, weddings and corporate functions. The team will search for opportunities and new revenue streams and build on successful events, such as the unplanned St. Lawrence "Mmm" Market Night in 2013 which brought in 1,300 visitors and generated \$0.065 million in revenues to the City. Finally, the restructured unit will sell the space and manage tenants, negotiate leases and ensure rates are competitive.

Collectively, the approved complement changes will contribute to the effective coordination of activities at the St. Lawrence Market Complex and move the Complex toward financial sustainability on both the operational and capital fronts.

Appendix 1

2013 Service Performance

2013 Key Accomplishments

In 2013, Facilities Management and Real Estate achieved the following results:

- ✓ Implemented organizational changes to improve customer service focus, consolidate similar work objectives into clearer lines of reporting resulting in increasing efficiencies and portfolio accountabilities, and promoting a City system wide strategic portfolio perspective. Key changes include:
 - ✓ Forming a Corporate Security Unit to implement the City-wide Security Plan.
 - ✓ Focusing the mandate of Facilities Operations to include maintenance and custodial care responsibilities.
 - ✓ Forming a Business Performance Management Unit to monitor through a quality lens, and ensure financial, client and strategic management objectives are met.
 - ✓ Ensuring the Facilities Design and Construction unit focuses on key outcomes in capital SOGR construction, major capital project development and the emerging role of new facilities capital project construction across City Programs.
 - ✓ Merging the Energy & Strategic Initiatives unit with the Toronto Environment Office to form a new division "Environment and Energy Office".
- ✓ In 2013 as part of the Project Management Practice, Government Management Committee has been provided with updates on all major construction projects including Nathan Phillips Square Revitalization, Union Station Revitalization, St. Lawrence Market North Redevelopment, and Old City Hall HVAC and Electrical Upgrades.
- ✓ Introduced Security Awareness Program to ensure employees are aware of their role as safety and security partners.

2013 Financial Performance

2013 Budget Variance Analysis (In \$000s)

	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Projected Actuals*	2013 Approved Budget vs. Projected Actual Variance	
(\$000s)	\$	\$	\$	\$	\$	%
Gross Expenditures	187,582.3	166,677.5	184,458.9	172,304.3	(12,154.5)	(6.6)
Revenues	133,201.6	108,182.2	121,412.5	111,354.7	(10,057.8)	(8.3)
Net Expenditures	54,380.7	58,495.2	63,046.4	60,949.6	(2,096.8)	(3.3)
Approved Positions	797.4	722.5	848.2	778.0	(70.2)	(8.3)

2013 Experience

- Facilities Management and Real Estate (FM&RE) is currently projecting year-end under-spending of \$2.097 million net for 2013 based on its third quarter variance results.
- This projected under expenditure is primarily attributed to lower than anticipated utility costs from the effects of warmer weather along with energy efficiency measures, and higher than expected vacancies due to delays in filling vacant positions.
- Projection to year-end indicates that there will be 70.2 vacancies. The vacancies are due to the difficulty in attracting the right talent for the positions, high turnover of staff in temporary positions, as well as the length of time required to fill vacant positions.

Impact of 2013 Operating Variance on the 2014 Budget

- Based on the projected year-end expenditures for 2013 and prior year experiences, the utilities budget has been reduced by \$0.655 million gross and net in the 2014 Operating Budget as a result of the continued realization of energy efficiency efforts.

Appendix 2

2014 Operating Budget by Expenditure Category

Program Summary by Expenditure Category (In \$000s)

Category of Expense	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Budget	2013 Approved		Plan	Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	73,713.5	72,519.7	79,222.1	74,586.2	81,398.1	2,176.0	2.7%	84,217.0	85,082.2
Materials and Supplies	26,533.4	25,737.1	29,559.0	27,740.8	28,434.9	(1,124.2)	(3.8%)	29,725.5	31,129.9
Equipment	426.0	586.9	558.5	502.5	531.0	(27.5)	(4.9%)	541.6	552.0
Services & Rents	60,666.3	58,440.6	65,087.7	63,339.5	64,859.6	(228.1)	(0.4%)	66,178.6	67,523.7
Contributions to Capital	496.6					-			
Contributions to Reserve/Res Funds	1,606.8	1,483.5	1,826.9	1,817.0	1,827.6	0.7	0.0%	1,827.6	1,827.6
Other Expenditures	22,232.2	5,970.9	6,441.0	2,482.0	7,594.0	1,153.0	17.9%	7,594.0	7,594.0
Interdivisional Charges	1,907.5	1,938.7	1,763.6	1,836.3	1,698.4	(65.2)	(3.7%)	1,700.4	1,700.4
Total Gross Expenditures	187,582.3	166,677.5	184,458.9	172,304.3	186,343.5	1,884.7	1.0%	191,784.6	195,409.7
Interdivisional Recoveries	50,443.7	46,370.3	49,864.0	47,646.9	49,217.1	(646.9)	(1.3%)	49,217.1	49,217.1
Provincial Subsidies	292.6	196.1	180.0	180.0	180.0	-	0.0%	180.0	180.0
Federal Subsidies	22.0	0.6	220.5	220.5	220.5	-	0.0%	220.5	220.5
Other Subsidies				-		-			
User Fees & Donations	40,886.8	41,932.6	39,990.4	43,827.2	43,113.4	3,122.9	7.8%	43,815.6	44,141.7
Transfers from Capital Fund	9,128.4	7,718.7	8,778.1	7,028.1	9,067.2	289.1	3.3%	9,167.2	8,987.2
Contribution from Reserve Funds	23,770.2	5,441.4	11,646.9	5,956.4	11,865.9	219.0	1.9%	11,203.0	10,879.2
Contribution from Reserve	1.6		386.0	-		(386.0)	(100.0%)		
Sundry Revenues	8,656.2	6,522.4	10,346.5	6,495.6	9,633.1	(713.5)	(6.9%)	9,633.1	9,633.1
Total Revenues	133,201.6	108,182.2	121,412.5	111,354.7	123,297.2	1,884.7	1.6%	123,436.5	123,258.9
Total Net Expenditures	54,380.7	58,495.2	63,046.4	60,949.6	63,046.4	(0.0)	(0.0%)	68,348.1	72,150.8
Approved Positions	797.4	722.5	848.2	778.0	879.7	31.5	3.7%	879.7	879.7

Note: In addition to the 2014 Budget reflected in the table above, a one-time increase of \$0.103 million gross and \$0 net has been approved by Council for Facilities Management and Real Estate in 2014 to complete the City's hazard abatement, repair and post clean-up activities related to the December ice-storm.

2014 Key Cost Drivers

Salaries and Benefits is the largest expenditure category and account for 43.7% of the total expenditures followed by Services and Rents at 34.8% and Material Supplies at 15.3%.

Salaries and Benefits

- Salary and benefit costs have historically increased due to contractually obligated wage increases, step and progression pay increases, and the corresponding increase in benefits. These expenses continue to impact the Program's Operating Budget in 2014, representing an additional \$2.347 million from the 2013 Operating Budget.
- Embedded within the 2014 salaries and benefits budget are base complement increases for an additional 5 positions as part of the Real Estate's organizational restructuring (\$0.487 million); 2 capital funded positions to deliver the new capital project for CCOO Management Reporting Initiative (\$0.140 million); 1 position to support the marketing and required technical and professional services for the Residential Energy Retrofit Pilot Program (\$0.128 million).

million); as well as 5.5 positions related to new and enhanced priorities (\$0.370 million), for a total increase of \$1.125 million.

- These increases are partially offset by the savings due to the deletions of 2 positions that are no longer required to deliver custodial and facility maintenance services to Toronto Police Service (\$0.147 million), additional gapping in the amount of \$0.104 million in order to maintain the gapping rate at the same level as 2013 and savings in salaries and benefits resulting from vacant positions budgeted at lower salary range based on the new budgetary guidelines executed through the Personnel Expenditure Projection (PEP) functionality in FPARS's Public Budget Formulation (PBF) (\$1.078 million).
- Approval of the 2014 Operating Budget for Facilities Management and Real Estate includes the addition of 28.5 permanent and 3.0 temporary positions, for a total of 31.5 positions bringing the total staff complement from 848.2 to 879.7.

Materials and Supplies

- The 2014 Budget for materials and supplies of \$28.435 million is \$1.124 million or 3.8% lower than the 2013 Operating Budget mainly due to the utility savings of \$0.655 million identified as service efficiencies and the reallocation of \$0.487 million from utility budget to fund the Real Estate Service's reorganization, as noted above.

Services and Rents

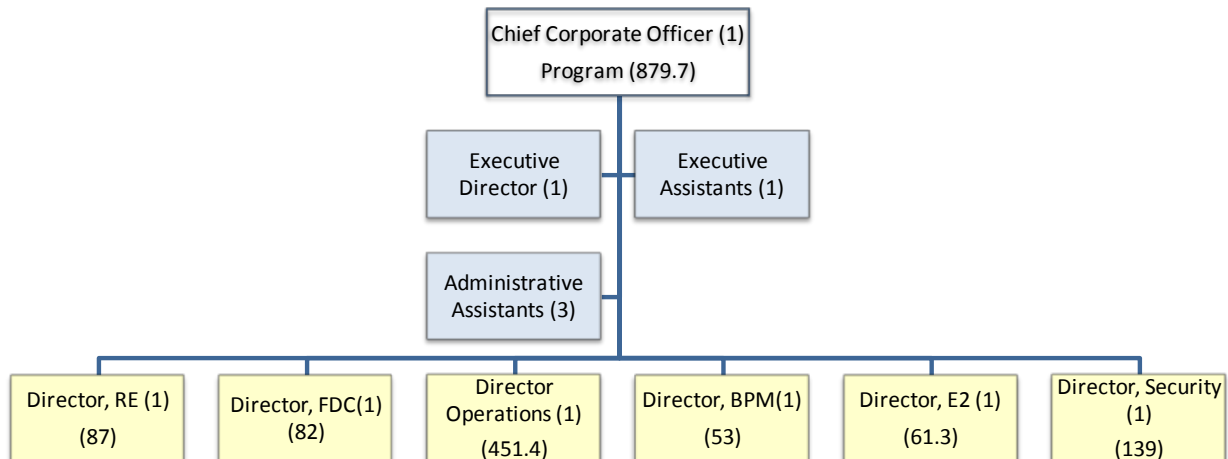
- The 2014 Budget for services and rents of \$64.860 million is \$0.228 million or 0.4% lower than the 2013 Operating Budget largely attributable to the savings generated by consolidating contracts to achieve standardization, efficient contract management and economies of scale.

Other Expenditures

- Other expenditures category has increased by \$1.153 million or 17.9% over the 2013 Operating Budget attributable to the administration of the Better Buildings Partnership loan program funded through reserve by Ontario Power Authority for a net zero impact on the 2014 Operating Budget for Facilities Management and Real Estate. Better Buildings Partnership is a City of Toronto program that works with building owners, managers and builders to ensure that buildings achieve higher energy performance and low environmental impact.

Appendix 2 - Continued

2014 Organization Chart



2014 Full and Part Time Staff

Category	Senior Management	Management	Exempt Professional & Clerical	Union	Total
Full-Time	4.0	121.0	222.7	530.0	877.7
Part-Time				2.0	2.0
Total	4.0	121.0	222.7	532.0	879.7

Appendix 3

Summary of 2014 Service Changes

2014 Operating Budget - Council Approved Service Change Summary by Service (\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

2014 Council Approved Base Budget Before Service Change: **186,922.0** **122,220.5** **64,701.5** **874.2** **5,301.8** **3,802.7**

478 Increased Leasing Revenues

52 Description:

Leasing and Site Management Unit within Real Estate Services is constantly reseraching and establishing new locations and opportunities to generate new or increased leasing revenue. As well, there are long-term leases that are coming up for renewal. It is anticipated that Real Estate Services will generate additional \$0.750 million in leasing revenue for 2014.

Service Level Impact:

Service levels remain the same as 2013.

Service: CA-Real Estate Management

Staff Recommended:	0.0	750.0	(750.0)	0.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	0.0	750.0	(750.0)	0.0	0.0	0.0
Staff Recommended:	0.0	750.0	(750.0)	0.0	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

2014 Operating Budget - Council Approved Service Change Summary by Service (\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
City Council Approved:			0.0	0.0	0.0	0.0	0.0	
Council Approved Service Changes:			0.0	750.0	(750.0)	0.0	0.0	

501

Tenant Insurance Cost Recoveries

52	0
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Description:

Real Estate Services will be able to recover insurance costs of \$0.250 million from tenants at Union Station, Old City Hall and St. Lawrence Market. These insurance costs were historically not recovered from tenants since these costs could not be isolated by location.

Service Level Impact:

Service levels remain the same as 2013.

Service: CA-Real Estate Management

Staff Recommended:	0.0	250.0	(250.0)	0.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	0.0	250.0	(250.0)	0.0	0.0	0.0
Staff Recommended:	0.0	250.0	(250.0)	0.0	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

2014 Operating Budget - Council Approved Service Change Summary by Service (\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
		City Council Approved:	0.0	0.0	0.0	0.0	0.0	0.0
		Council Approved Service Changes:	0.0	250.0	(250.0)	0.0	0.0	0.0

556 Reduction in Utilities

51 0 Description:

The \$0.655 million reduction was made due to ongoing energy efficiency improvements in City facilities. Examples include City Hall and Metro Hall. Building automation upgrades have allowed for better control and scheduling of energy using systems and equipment.

Service Level Impact:

The service levels remain the same as 2013.

Service: CA-Facilities Management

Staff Recommended:	(655.1)	0.0	(655.1)	0.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	(655.1)	0.0	(655.1)	0.0	0.0	0.0
Staff Recommended:	(655.1)	0.0	(655.1)	0.0	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

2014 Operating Budget - Council Approved Service Change Summary by Service (\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Executive Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved Service Changes:			(655.1)	0.0	(655.1)	0.0	0.0	0.0

Summary:

Staff Recommended:	(655.1)	1,000.0	(1,655.1)	0.0	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.0	0.0	0.0
Council Approved Service Changes:	(655.1)	1,000.0	(1,655.1)	0.0	0.0	0.0
Total Council Approved Base Budget:	186,266.9	123,220.5	63,046.4	874.2	5,301.8	3,802.7

Category:

- 51 - Efficiency Change
- 52 - Revenue Change
- 59 - Service Change

Appendix 4

Summary of 2014 New / Enhanced Service Changes

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

485	Real Estate - Union Station Property Manager	
72	1	Description:

A dedicated Property Manager is required as the Union Station Revitalization Project progresses towards a stage where many agreements among the partners (Head Lessee, Metrolinx, VIA, Bank of Nova Scotia, etc) begin to take effect. The position will join the Leasing and Site Management unit within Real Estate Services and will assist with the day-to-day landlord and asset manager role at the Station. The cost of this position will be fully recovered from tenants through common area maintenance costs at the Union Station. Currently the Manager, Leasing and Site Management has been carrying out the project management and administrative functions. This is causing a negative impact on the Leasing and Site Management Unit's ability to deliver on its day to day responsibilities.

Service Level Impact:

A dedicated Property Manager is required to respond and address tenant issues in a timely manner in order for the City's to fulfill its obligation to its partners and tenants at the Station.

Service: CA-Real Estate Management

Staff Recommended:	74.9	74.9	0.0	1.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	74.9	74.9	0.0	1.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Staff Recommended:			74.9	74.9	0.0	1.0	0.0	0.0
Budget Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:			74.9	74.9	0.0	1.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
544		Security - FTE for Public Health						
72	1	Description: A Security Guard is required to provide security services for Toronto Public Health at 277 Victoria Street. The Security Guard position is a 8 hours, 5 days a week position required for the overall security at this location. Service Level Impact: Currently, one Security Guard is working at this location on contract basis due to immediate health and safety requirements. The level of service will remain the same, but the work will be performed by in-house staff from Corporate Security in the future. There will be increased continuity, less turn over for the security staff, and heightened security and safety levels at this location through working with Corporate Security. Service: CA-Facilities Management Staff Recommended:17.717.70.01.00.00.0 BC Recommended Change:0.00.00.00.00.00.0 EC Recommended Change:0.00.00.00.00.00.0 CC Recommended Change:0.00.00.00.00.00.0 Total Council Approved:17.717.70.01.00.00.0 Staff Recommended:17.717.70.01.00.00.0 Budget Committee Recommended:0.00.00.00.00.00.0 Executive Committee Recommended:0.00.00.00.00.00.0 City Council Approved:0.00.00.00.00.00.0						

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Council Approved New/Enhanced Services:			17.7	17.7	0.0	1.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
546		Security - FTEs for Shelter, Support & Housing Admin						
72	1	Description: A total of 1.5 FTE Security Guards is required to provide security services for Shelter, Support, Housing and Administration at 129 Peter Street. The Security Guard position is a 8 hours, 7 days a week position required for the overall security at this location. Service Level Impact: Currently, 1.5 Security Guards are working at this location on contract basis due to immediate health and safety requirements. The level of service will remain the same, but the work will be performed by in-house staff from Corporate Security in the future. There will be increased continuity, less turn over for the security staff, and heightened security and safety levels at this location through working with Corporate Security. Service: CA-Facilities Management						
		Staff Recommended:	87.0	87.0	0.0	1.5	0.0	0.0
		BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
		EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
		CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
		Total Council Approved:	87.0	87.0	0.0	1.5	0.0	0.0
		Staff Recommended:	87.0	87.0	0.0	1.5	0.0	0.0
		Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Executive Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:			87.0	87.0	0.0	1.5	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

549 Security - Transfer Services to Salaries (SO for TESS)

72 1 Description:

A Security Guard is required to provide security services for Toronto Employment and Social Services (TESS) at 100 Consillium Pl. The Security Guard position is a 8 hours, 5 days a week position required for the overall safety and security at this location.

Service Level Impact:

Currently, a Security Guard is working at this location on contract basis due to immediate health and safety requirements. The level of service will remain the same, but the work will be performed by in-house staff from Corporate Security in the future. There will be increased continuity, less turn over for the security staff, and heightened security and safety levels at this location through working with Corporate Security.

Service: CA-Facilities Management

Staff Recommended:	0.0	0.0	0.0	1.0	0.0	0.0
BC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
EC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
CC Recommended Change:	0.0	0.0	0.0	0.0	0.0	0.0
Total Council Approved:	0.0	0.0	0.0	1.0	0.0	0.0
Staff Recommended:	0.0	0.0	0.0	1.0	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Executive Committee Recommended:			0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:			0.0	0.0	0.0	1.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
791		Energy - Project Coordinator, Building Automation Syste						
72	1	Description: 1 Project Coordinator, Building Automation Systems is required in the Ennvironment and Energy Office for its continued work to ensure proper use of green technology to all City buildings. Service Level Impact: Significant energy savings have been realized through the installation and maintenance of BAS controls to all City buildings. However, there is significant gap in the City's available resources to address the maintenance of Building Automation Systems. The position will help improved operations of BAS and lead to reduced energy and maintenance costs. The costs of this position will be fully offset by the utility savings. Service: CA-Facilities Management Staff Recommended:0.00.00.01.00.00.0 BC Recommended Change:0.00.00.00.00.00.0 EC Recommended Change:0.00.00.00.00.00.0 CC Recommended Change:0.00.00.00.00.00.0 Total Council Approved:0.00.00.01.00.00.0 Staff Recommended:0.00.00.01.00.00.0 Budget Committee Recommended:0.00.00.00.00.00.0 Executive Committee Recommended:0.00.00.00.00.00.0 City Council Approved:0.00.00.00.00.00.0						

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services

Summary by Service

(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		
Council Approved New/Enhanced Services:			0.0	0.0	0.0	1.0	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

2014 Operating Budget - Council Approved New and Enhanced Services
Summary by Service
(\$000s)

Form ID		Internal Focused Services Program: Facilities Management & Real Estate	Adjustments				2015 Plan Net Change	2016 Plan Net Change
Category	Priority		Gross Expenditure	Revenue	Net	Approved Positions		

Summary:

Staff Recommended:	179.6	179.6	0.0	5.5	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.0	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.0	0.0	0.0
Council Approved New/Enhanced Services:	179.6	179.6	0.0	5.5	0.0	0.0

Category:

- 71 - Operating Impact of New Capital Projects
- 72 - Enhanced Services-Service Expansion
- 74 - New Services
- 75 - New Revenues

Appendix 5

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			-	-	-
Energy Conservation Reserve Fund	XR1715		(445.0)	(445.0)	(445.0)
			445.0	445.0	445.0
Total Reserve / Reserve Fund Draws / Contributions			-	-	-
Balance at Year-End		-	-	-	-

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			12,621.4	10,734.6	9,510.7
Union Station Reserve Fund	XR2501	12,621.4	(1,886.8)	(1,223.9)	(900.1)
Total Reserve / Reserve Fund Draws / Contributions			(1,886.8)	(1,223.9)	(900.1)
Balance at Year-End		12,621.4	10,734.6	9,510.7	8,610.6

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			2,053.1	2,053.1	2,053.1
Conservation Management Reserve Fund	XR3029	2,053.1	(5,518.1)	(5,518.1)	(5,518.1)
			5,518.1	5,518.1	5,518.1
Total Reserve / Reserve Fund Draws / Contributions			-	-	-
Balance at Year-End		2,053.1	2,053.1	2,053.1	2,053.1

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			841.9	41.9	41.9
Eco-Roof Financial Assistance Reserve Fund	XR1723	841.9	(800.0)		
Total Reserve / Reserve Fund Draws / Contributions			(800.0)	-	-
Balance at Year-End		841.9	41.9	41.9	41.9

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			-	-	-
Local Improvement Charge Energy Works Reserve Fund	XR1724		(290.0)	(290.0)	(290.0)
			290.0	290.0	290.0
Total Reserve / Reserve Fund Draws / Contributions			-	-	-
Balance at Year-End		-	-	-	-

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			1,228.8	1,228.8	1,228.8
Home Energy Assistance Reserve Fund	XR1719	1,228.8	(928.0)	(928.0)	(928.0)
			928.0	928.0	928.0
Total Reserve / Reserve Fund Draws / Contributions			-	-	-
Balance at Year-End		1,228.8	1,228.8	1,228.8	1,228.8

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance			3,754.2	3,754.2	3,754.2
Better Building Partnership	XR1052	3,754.2	(1,153.0)	(1,153.0)	(1,153.0)
			1,153.0	1,153.0	1,153.0
Total Reserve / Reserve Fund Draws / Contributions			-	-	-
Balance at Year-End		3,754.2	3,754.2	3,754.2	3,754.2

Corporate Reserve / Reserve Funds (In \$000s)

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2013 \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		18,307.1	18,307.1	36,772.9	51,438.7
Insurance Reserve Fund	XR1010		986.9	986.9	986.9
Total Reserve / Reserve Fund Draws / Contributions		18,307.1	19,294.0	37,759.8	52,425.6
Other program / Agency Net Withdrawals & Contributions			17,478.9	13,678.8	14,114.2
Balance at Year-End		18,307.1	36,772.9	51,438.7	66,539.8

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		1,340.2	1,340.2	1,649.8	1,959.4
Vehicle and Equipment Reserve	XQ1502		309.6	309.6	309.6
Total Reserve / Reserve Fund Draws / Contributions		1,340.2	1,649.8	1,959.4	2,269.0
Other program / Agency Net Withdrawals & Contributions					
Balance at Year-End		1,340.2	1,649.8	1,959.4	2,269.0

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of \$	Proposed Withdrawals (-) / Contributions (+)		
			2014 \$	2015 \$	2016 \$
Projected Beginning Balance		129,668.4	129,668.4	129,339.9	129,011.5
Land Acquisition Reserve Fund	XR1012		(328.5)	(328.5)	(328.5)
Total Reserve / Reserve Fund Draws / Contributions		129,668.4	129,339.9	129,011.5	128,683.0
Other program / Agency Net Withdrawals & Contributions					
Balance at Year-End		129,668.4	129,339.9	129,011.5	128,683.0

Appendix 6

2014 User Fee Rate Changes

Technical Adjustments

Rate Description	Service	Fee Category	Fee Basis	2013 Approved Rate	2014 Budget Rate	Reason for Adjustment
Appraisal Fee for Parks Levy Calculation - Base Fee	Real Estate	Full Cost Recovery	Per property	Base fee of \$250	Base fee of \$250	Inadvertently excluded in Municipal Code 441
Appraisal Fee for Parks Levy Calculation - Square Meter	Real Estate	Full Cost Recovery	Per property	Variable fee of \$1.00/sm bldg area to max. of \$6,000	Variable fee of \$1.00/sm bldg area to max. of \$8,000	Inadvertently excluded in Municipal Code 441

User Fee Transfers

Rate Description	Fee Category	Fee Basis	2013 Approved Rate	2014 Budget Rate	Transfer from	Transfer To
Vendors at the festival pay a fee to participate.	Full Cost Recovery	10 x 10 booth for one day	\$75 for not-for-profit organizations and \$275 for-profit businesses.	\$75 for not-for-profit organizations and \$275 for-profit businesses.	Toronto Environment Office	Facilities Management and Real Estate
Assistance in the design & implementation of programs that encourage the clients' workers to utilize alternative low polluting modes of transportation.	Market Based	The nominal fee is designed to ensure clients will participate. It is not based on specific service.	Fixed fee of \$750 + variable fee of \$2 per worker of the client if over 375 workers.	Fixed fee of \$750 + variable fee of \$2 per worker of the client if over 375 workers.	Toronto Environment Office	Facilities Management and Real Estate
One time charge for conducting a survey of the work site employees about their current modes of commuting and willingness to consider alternatives low polluting modes.	Market Based	Cost of conducting the survey.	\$0 to \$5,000 depending upon the size of the company and number of employees / building occupants.	\$0 to \$5,000 depending upon the size of the company and number of employees / building occupants.	Toronto Environment Office	Facilities Management and Real Estate