

Toronto 2018 BUDGET



OPERATING PROGRAM SUMMARY



Fleet Services

2018 OPERATING BUDGET OVERVIEW

Fleet Services provides responsive and efficient fleet management services to City Programs and Agencies to maximize safety and environmental sustainability and minimize lifecycle costs.

2018 Budget Summary

The total cost to deliver these services to Toronto residents is \$57.739 million gross and (\$0.130) million net as shown below:

(in \$000's)	2017 Budget	2018 Budget	Change	
			\$	%
Gross Expenditures	54,207.2	57,738.9	3,531.7	6.5%
Revenues	54,216.7	57,868.6	3,651.9	6.7%
Net Expenditures	(9.5)	(129.7)	(120.2)	1264.4%

The 2018 Operating Budget of \$57.739 million gross is \$3.532 or 6.5% million over the 2017 Approved Budget, primarily attributable to an increase in fleet maintenance costs and demand for fuel from client Programs which is fully offset by increased inter-divisional recoveries. The net expenditure reduction of \$0.120 million is due to savings identified from implementing service efficiency strategies.

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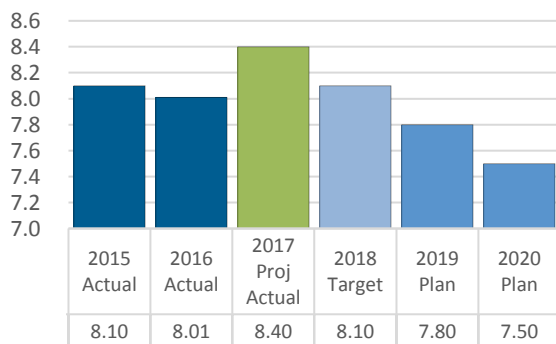
FAST FACTS

- Manage 5,500 vehicles and equipment for City of Toronto Divisions and Agencies.
- Manage the fueling needs of over 7,100 assets located throughout the City.
- Distribute 15.5 million litres of fuel to City Programs and Agencies.
- Dispense fuel to the City's vehicles throughout 23 fuel sites across the City.
- Manage the Capital replacement plan for all City fleet, except TTC and Police.
- Foster and continue to lead the City-wide Green Fleet Plan that encompasses all City fleets, including TTC, Police and Agencies.
- Maintained a satisfactory Ontario Commercial Vehicle Operators Registration (CVOR) safety rating for the City's Fleet of 35% as of November 2017 (a lower number is better).

TRENDS

- The average age of vehicles and equipment has increased beyond the optimum lifecycle in some classes. The average age is expected to gradually decline starting 2018 to 7.50 years by 2020 as funding for fleet replacement increases.
- Maintaining the optimum vehicle and equipment age ensures safety and reduces the escalating cost of repairs and maintenance.

Average Vehicle/Equipment Age (in years)



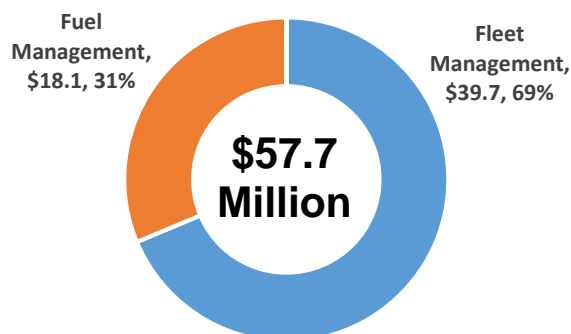
KEY SERVICE DELIVERABLES FOR 2018

The 2018 Operating Budget will enable Fleet Services to:

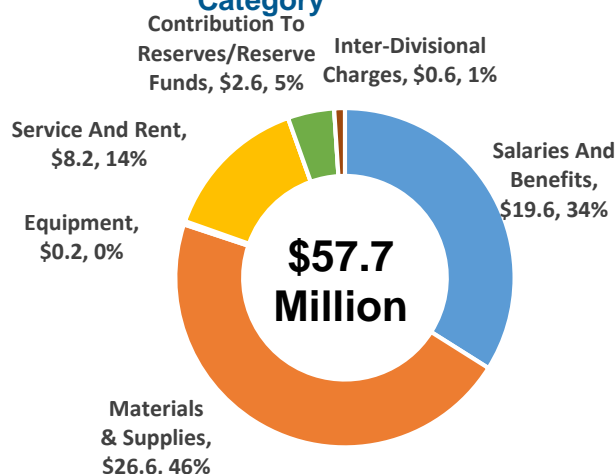
- Provide a full-range of fleet management services for City Divisions and Agencies.
- Direct the lifecycle management of the City's fleet including the acquisition, maintenance and disposal of vehicles and equipment based on lifecycle and operational analysis.
- Ensure compliance with Provincial legislation and City policies and guidelines.
- Provide safety training, testing and certification to approximately 11,000 City employees who are required to operate City vehicles and equipment.
- Oversee and direct the City's fuel management operations, including, safety and compliance management, staff training and the associated management of fueling stations and the fueling of over 7,100 assets.
- Work closely with client Programs to optimize fleet size through ensuring that all vehicles are required and fully utilized.
- Provide leadership in reducing the environmental impact of the City's fleet operations through the City's 2014 - 2018 Consolidated Green Fleet Plan.
- Provide permanent opportunities combined with a multi-faceted approach that includes training and apprentice programs; to attract, develop and retain fully qualified and knowledgeable staff.
- Enhance service delivery by adopting leading fleet practices, including Reliability-Centered Maintenance practices to improve Preventative Maintenance execution, and reduce downtime and costs.

Where the money goes:

2018 Budget by Service

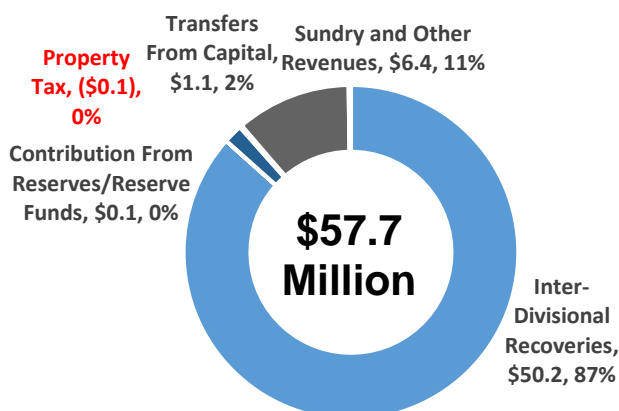


2018 Budget by Expenditure Category



Where the money comes from:

2018 Budget by Funding Source



OUR KEY ISSUES & PRIORITY ACTIONS

- **Cost & Financial Management**
 - ✓ Capital reserve contribution shortfalls, vehicle reserve backlogs and associated impact of maintaining past-optimum life assets
- **Structure & Staffing**
 - ✓ Significant challenges attracting and retaining fully qualified and knowledgeable staff due to an industry-wide shortage of skilled trades, combined with niche occupation requirements
- **Facilities**
 - ✓ Aging and insufficient work space no longer meets the changing needs of today's vehicles and equipment and best practice work methods
- **Operational and Business Processes**
 - ✓ Fleet Management Information System (FMIS) data capture and data management needs improvement
 - ✓ Data driven – continue to improve foundational metrics, performance measures and management reports
 - ✓ Continue to improve service delivery through a reliability-centered maintenance approach to improve Preventative Maintenance execution (PM vs Non-PM repairs) and reduce downtime through a refocusing of internal resources

2018 OPERATING BUDGET HIGHLIGHTS

- The 2018 Operating Budget of \$57.739 million gross and (\$0.130) million net expenditures provides funding for two services: Fleet Management and Fuel Management.
- Fleet Services has over-achieved the 0% budget target through the following service efficiency strategies:
 - ✓ Savings in the second year of implementation of the Alternate Service Delivery model for vehicle maintenance by contracting out preventative maintenance for Class 1 & 2 (\$0.469) million
 - ✓ Mitigation of the budget impact from the provincially mandated Cap & Trade Program by effective fuel hedging (\$0.353) million
 - ✓ Cost reduction from improving the parts warranty management and core returns process to ensure warranties are maximized (\$0.100) million
 - ✓ Adopting a new tire management strategy by implementing a tire retreading process for heavy vehicles/equipment (\$0.060) million
 - ✓ Effective contract management to meet client division needs, while mitigating risk and ensuring that value for money is obtained by the City (\$0.035) million
- Staff complement will increase by 1.0 position from 2017 to 2018

Council Approved Budget

City Council approved the following recommendations:

1. City Council approve the 2018 Operating Budget for Fleet Services of \$57.739 million gross, \$0.130 million net revenue for the following services:

<u>Service:</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Fleet Management:	39,661.1	496.3
Fuel Management:	18,077.8	(626.0)
Total Program Budget	57,738.9	(129.7)

2. City Council approve the 2018 service levels for Fleet Services as outlined on pages 15 and 20 of this report, and associated staff complement of 187.0 positions, comprising 9.0 capital project delivery positions and 178.0 operating service delivery positions.
3. City Council approve the budget transfer of \$0.244 million gross and net, reflecting the additional savings resulting from the implementation of the Alternate Service Delivery Model, from Fleet Services to the respective tax-supported client programs and Agencies for 2018 as detailed below:

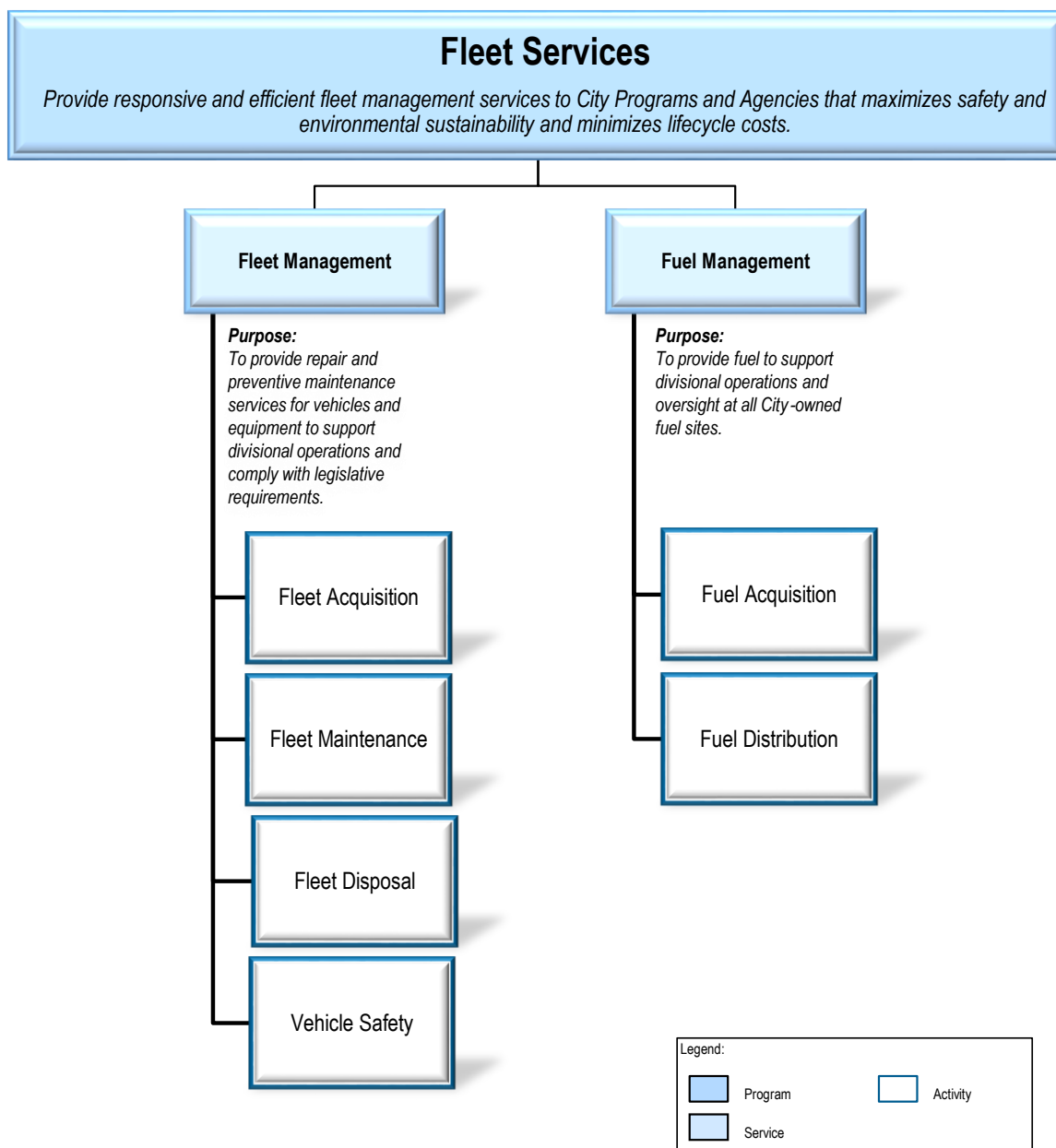
Savings by Programs/Agencies	2018 Savings
City Clerks Office	478
Eco. Devt. & Culture	467
Engineering & Constr. Services	2,441
Facilities Mgmt & Real Estate	13,701
Fleet Services	7,034
Municipal Licensing & Stds	5,884
Office of Emergency Management	750
Parks, Forestry & Recreation	116,680
Public Health	1,509
Purchasing And Materials Mgmt	702
Toronto Building	498
Toronto Public Library	2,150
Transportation Services	91,789
Total Tax-Supported Programs/Agencies	244,083



Part 1

2018-2020 Service Overview and Plan

Program Map



Service Customer

Fleet Management

- Staff - City Divisions

Indirect (Beneficiary)

- Residents
- Businesses

Fuel Management

- Staff - City Divisions
- Staff – Agencies

Indirect (Beneficiary)

- Residents
- Businesses

Table 1
2018 Operating Budget and Plan by Service

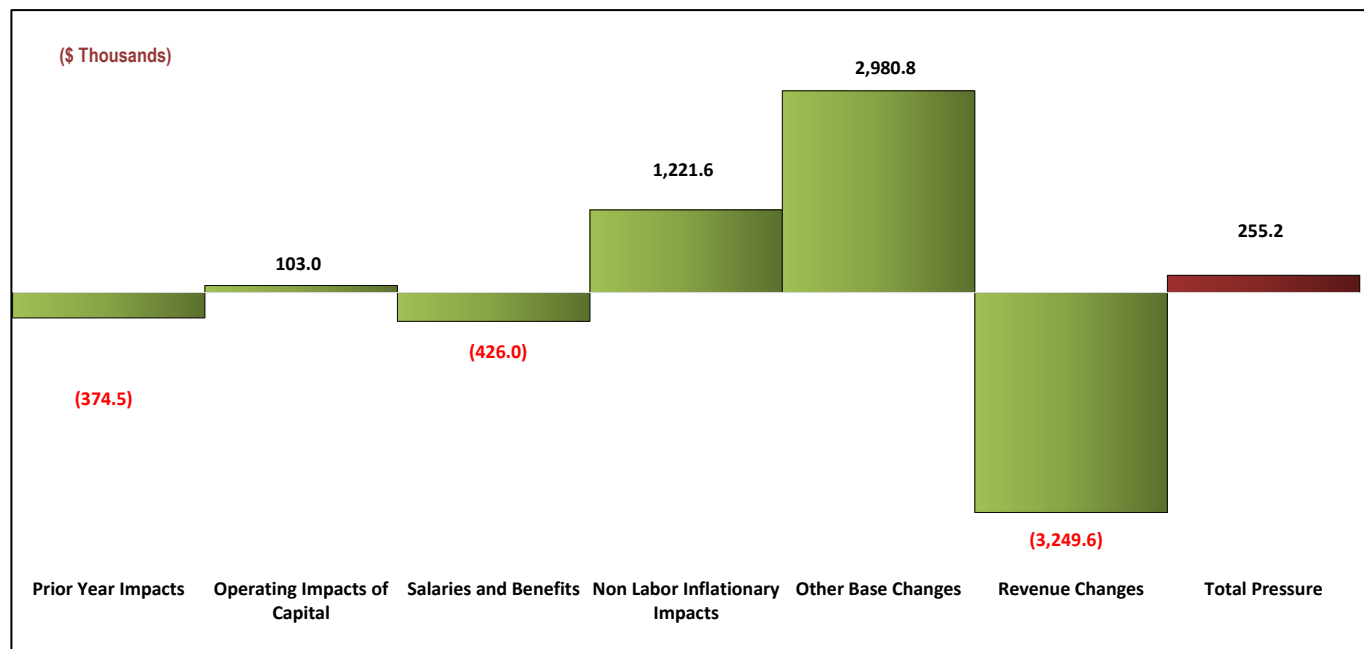
(In \$000s)	2017		2018 Operating Budget			2018 vs. 2017 Budget Change		Incremental Change			
	Budget	Projected Actual	Base	New/Enhanced	Total Budget			2019 Plan		2020 Plan	
By Service	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
Fleet Management											
Gross Expenditures	37,942.7	42,312.8	39,481.1	180.0	39,661.1	1,718.3	4.5%	334.1	0.8%	603.4	1.5%
Revenue	38,132.1	41,778.4	39,148.5	16.2	39,164.7	1,032.6	2.7%	(498.1)	(1.3%)	0.0	
Net Expenditures	(189.4)	534.5	332.6	163.8	496.3	685.7	(362.0%)	832.2	167.7%	603.4	45.4%
Fuel Management											
Gross Expenditures	16,264.5	16,930.0	18,060.1	17.7	18,077.8	1,813.3	11.1%	429.9	2.4%	416.8	2.3%
Revenue	16,084.6	17,534.6	18,694.7	9.1	18,703.8	2,619.2	16.3%	268.7	1.4%	264.8	1.4%
Net Expenditures	179.9	(604.6)	(634.6)	8.6	(626.0)	(805.9)	(448.0%)	161.3	(25.8%)	152.0	(32.7%)
Total											
Gross Expenditures	54,207.2	59,242.8	57,541.2	197.7	57,738.9	3,531.7	6.5%	764.1	1.3%	1,020.3	1.7%
Revenue	54,216.7	59,313.0	57,843.2	25.3	57,868.6	3,651.9	6.7%	(229.4)	(0.4%)	264.8	0.5%
Total Net Expenditures	(9.5)	(70.1)	(302.0)	172.4	(129.7)	(120.2)	(1264.2%)	993.5	(765.7%)	755.4	87.5%
Approved Positions	186.0	167.0	185.0	2.0	187.0	1.0	0.5%	(6.0)	(3.2%)	0.0	

The Fleet Services' 2018 Operating Budget is \$57.739 million gross and (\$0.130) million net, representing a decrease of \$0.120 million to the 2017 Approved Net Operating Budget and over-achievement of the 0% budget target as set out in the 2018 Operating Budget Directions and Guidelines.

- Base pressures are mainly attributable to the inflationary cost increases in salaries and benefits, increased demand for fuel, and higher costs to maintain the City's fleet.
- The above pressures were more than offset by inter-divisional recoveries, additional savings from implementation of the Alternate Service Delivery (ASD) model and service efficiency strategies.
- Approval of the 2018 Operating Budget will result in Fleet Services increasing its total staff complement by 1.0 position from 186.0 to 187.0:
 - A reduction of 2 temporary mechanic positions arising from the conversion of 10 temporary vacant positions (9 mechanic and 1 supervisor) to 8 permanent mechanic positions, will result in savings of \$0.223 million.
 - 1 permanent mechanic position will be added to support the ongoing maintenance of the Vehicle Information Box (VIB) project.
 - 2 permanent positions will be added to for the implementation of the TransformTO initiative.
- The 2019 and 2020 Plan incremental costs are mainly attributable to increases in salary and benefit and maintenance contract escalation.

The following graphs summarize the operating budget pressures for Fleet Services and the actions taken to offset/reduce these pressures to meet the budget reduction target.

Key Cost Drivers



Actions to Achieve Budget Reduction Target

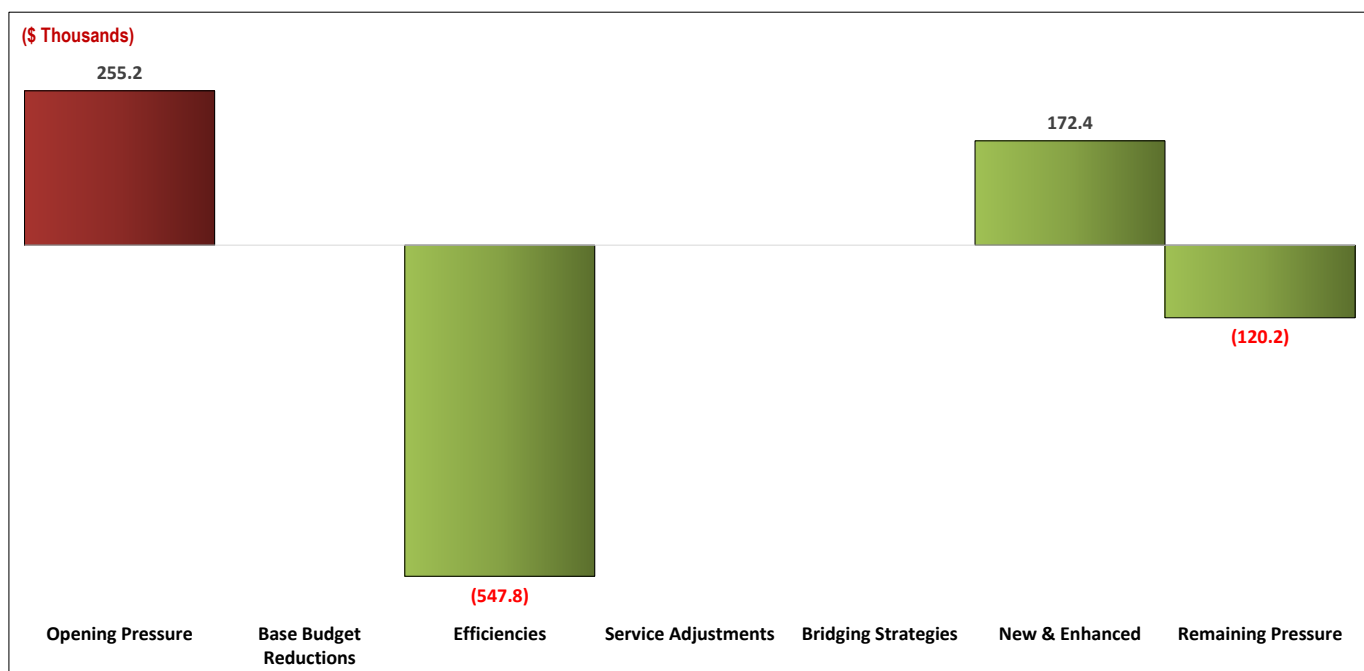


Table 2
Key Cost Drivers

(In \$000s)	2018 Base Operating Budget		Total	
	Fleet Maintenance	Fuel Management		
	\$	\$	\$	Position
Gross Expenditure Changes				
Prior Year Impacts				
ASD Implementation Savings	(225.7)	(243.4)	(469.1)	
1 Parks Tree Protection Enforcement	75.6	19.0	94.5	
Operating Impacts of Capital				
Ongoing Maintenance of VIB Program	103.0		103.0	1.0
Salaries and Benefits				
Salary and Benefits Adjustments	(56.2)	(147.0)	(203.2)	
Conversion of Temporary Positions to Permanent	(222.8)		(222.8)	(2.0)
Economic Factors				
Inflationary Increases for Utilities, Maintenance Contracts and Vehicle Parts	374.4	847.2	1,221.6	
Other Base Expenditure Changes				
Inter-divisional Charges Adjustments	1.6	(56.7)	(55.1)	
2 Fuel Volume Adjustment		1,519.8	1,519.8	
2 Expenditures Required to Maintain City Fleet in SOGR	1,018.0		1,018.0	
2 Vehicle & Equipment Reserve Contribution Adjustment		198.1	198.1	
3 Contribution for Toronto Community Housing Corporation	300.0		300.0	
Expenditure Realignment	(12.1)	12.1		
Total Gross Expenditure Changes	1,355.7	2,149.1	3,504.8	(1.0)
Revenue Changes				
Base Revenue Changes				
1 Recovery for Parks Tree Protection Enforcement	75.6	19.0	94.5	
2 Recoveries from Agencies	4.2	1,595.2	1,599.5	
2 Recoveries from Divisions and Capital	222.3	996.1	1,218.4	
3 Recovery from Toronto Community Housing Corporation	300.0		300.0	
Vendor Discount	31.7		31.7	
Miscellaneous Adjustments	4.9	0.5	5.5	
Total Revenue Changes	638.7	2,610.9	3,249.6	
Net Expenditure Changes	717.0	(461.8)	255.2	(1.0)

Key cost drivers for Fleet Services are shown in Table 2 above. The following describes major budget changes for 2018.

Gross Expenditure Changes

- Prior Year Impacts:
 - Additional savings of \$0.469 million resulting from the second year of implementation of ASD from reducing vehicle downtime and maintenance & repair, of which \$0.244 million will be allocated to the tax-supported client Programs and Agencies from Fleet Services.
 - In October 2017, City Council approved the extension of 6 temporary positions for "Tree Protection Enforcement (EX27.21)" for eight months. This is a temporary initiative to address the increase in complaints under the Municipal Tree Protection By-Laws. As a result, additional costs of \$0.095 million will be required in fuel and vehicle rental costs to support this initiative. These costs will be fully recovered from Parks, Forestry and Recreation.

- Operating Impacts of Capital:
 - Fleet Services has an ongoing capital project to deploy the Vehicle Information Box (VIB) technology in 4,000 vehicles and equipment. This technology will allow for automated vehicle meter reading and authorization for fueling at the fuel sites. As a result, 1 permanent mechanic position is requested to support the continuing maintenance of these Vehicle Information Box program.
- Salaries and Benefits
 - Lower salaries and benefits, mainly due to realignment of positions and benefit adjustments based on actual trend, is partially offset by the inflationary increases in salaries and benefits.
 - Conversion of 10 temporary vacant positions (9 mechanics and 1 supervisor) to 8 permanent mechanic positions, will result in savings of \$0.223 million.
- Economic Factors:
 - Inflationary increases to fuel price, including the Cap and Trade impact and vehicle maintenance contracts, will result in a pressure of \$1.221 million.

Other Base Changes

- An increase of \$1.520 million in fuel costs can be attributed to increased fuel demand mainly driven by Toronto Transit Commission vehicles and Toronto District School Board vehicles moving to City Fleet fuel sites. These costs will be fully recovered from City Programs and Agencies.
- Increased expenditures of \$1.018 million for contracted services, machinery & equipment and computer hardware & software required to maintain City fleet in State of Good Repair. These will be offset by the inter-divisional recoveries from divisions and agencies.
- Additional contribution to the Vehicle and Equipment Reserve of \$0.198 million to provide funding for Fleet's future capital projects.
- Contribution to Reserve on behalf of Toronto Community Housing Corporation (TCHC) of \$0.300 million based on their vehicle replacement requirement, which will be recovered from TCHC.

Base Revenue Changes

- Base budget pressures will be offset by additional recoveries of \$3.118 million for higher fuel consumption and maintenance costs for fleet in State of Good Repair (SOGR) from City Programs and Agencies.
- Vendor discount revenue, for paying invoices within the discount term based on actual trend, contributes \$0.032 million to offset base budget pressures.

In order to offset the above net pressures, and achieve the budget reduction target, the 2018 service changes for Fleet Services consists of service efficiency savings of \$0.548 million net, as detailed below.

Table 3
Actions to Achieve Budget Reduction Target
2018 Service Change Summary

Description (\$000s)	Service Changes				Total Service Changes			Incremental Change			
	Fleet Maintenance		Fuel Management		\$	\$	#	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	Pos.	Net	Pos.	Net	Pos.
Service Efficiencies											
Fleet Rationalization - Facilities	(11.7)		(0.7)		(12.4)						
Tire Management	(60.0)	(60.0)									
Parts Warranty Management	(100.0)	(100.0)									
Contract Management	(35.0)	(35.0)									
Reduce Cap & Trade Impact Through Effective Fuel Hedging			(352.8)	(352.8)							
Sub-Total	(206.7)	(195.0)	(353.5)	(352.8)	(560.2)	(547.8)					
Total Changes	(206.7)	(195.0)	(353.5)	(352.8)	(560.2)	(547.8)					

Fleet Services was able to offset budget pressures with the following measures:

Service Efficiencies (Savings of \$0.560 million gross & \$0.548 million net)

Fleet Rationalization - Facilities

- Through fleet rationalization, Facilities is reducing its fleet size by 2 Class 2 vehicles, which will result in maintenance and fuel savings of \$0.012 million for these vehicles. The savings will be offset by the lower recovery from Facilities. There is no impact to service levels.

Tire Management

- Fleet Services is adopting a new tire management strategy by implementing of a tire retreading process for heavy vehicles/equipment, which will reduce costs for maintenance and purchase of new tires by \$0.060 million. There is no impact to service levels.

Parts Warranty Management

- Improved parts warranty management and core returns process to ensure warranties are maximized, by utilizing new systems such as a parts ordering system to track parts warranty earlier and to increase data capture, invoicing and parts turnaround, will reduce the expenditures for vehicle parts by \$0.100 million. There is no impact to service levels.

Contract Management

- Fleet Services has hired 4 new contract coordinators. These positions are dedicated to developing and implementing new processes to effectively manage fleet maintenance contracts to meet client division needs, while mitigating risk and ensuring that value for money is obtained by the City. These actions will result in savings of \$0.035 million for 2018.

Reduce Cap & Trade Impact through Effective Fuel Hedging

- There will be a budget pressure resulting from the provincially mandated Cap & Trade program in 2018, with the impact estimated to be \$0.054/L for diesel and \$0.04/L for gasoline. Fleet Services anticipates being able to lower the impact by \$0.02/L through effective fuel hedging and reducing costs by \$0.353 million.

Table 4
2018 New & Enhanced Service Priorities

Description (\$000s)	New and Enhanced				Total New and Enhanced			Incremental Change			
	Fleet Management		Fuel Management		\$		Position	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities											
Referred to Budget Process:											
Positions for TransformTO	163.8	163.8	8.6	8.6	172.4	172.4	2.0	96.2		6.9	
Sub-Total Referred to Budget Process	163.8	163.8	8.6	8.6	172.4	172.4	2.0	96.2		6.9	
Staff Initiated:											
Parks Ambassador Program	16.2		9.1		25.3						
Sub-Total Staff Initiated	16.2		9.1		25.3						
Total Enhanced Services	180.0	163.8	17.7	8.6	197.7	172.4	2.0	96.2		6.9	
Total New / Enhanced Services	180.0	163.8	17.7	8.6	197.7	172.4	2.0	96.2		6.9	

The 2018 Budget includes the following service priorities:

Enhanced Service Priorities (\$0.198 million gross & \$0.172 million net)

- **TransformTO – (\$0.172 million gross and net, 2 positions)**
 - Two permanent positions (1 Business Development & Improvement Analyst and 1 Project Manager) have been requested for the implementation and support of the TransformTO initiatives. These two positions are anticipated to start in May 2018, which will result in salary and benefit costs of \$0.172 million in 2018, \$0.269 million in 2019 and \$0.276 million in 2020.
- **Parks Ambassador Program – (\$0.025 million gross and \$0 net)**
 - Parks, Forestry and Recreation is improving the Parks Ambassador program from one crew to three crews in the summer months, and to extend the length of the seasonal staff's contract from 6 months to 9 that will lead to more interactions with the Parks' users and more referrals for streets to homes. This will result in higher vehicle rental costs and fuel consumption for Fleet Services. The additional costs will be fully recovered from Parks, Forestry and Recreation with no net impact to Fleet Services.

Table 5
2019 and 2020 Plan by Program

Description (\$000s)	New and Enhanced				Total New and Enhanced			Incremental Change			
	Fleet Management		Fuel Management		\$		Position	2019 Plan		2020 Plan	
	Gross	Net	Gross	Net	Gross	Net	#	Net	Pos.	Net	Pos.
Enhanced Services Priorities											
Referred to Budget Process:											
Positions for TransformTO	163.8	163.8	8.6	8.6	172.4	172.4	2.0	96.2		6.9	
Sub-Total Referred to Budget Process	163.8	163.8	8.6	8.6	172.4	172.4	2.0	96.2		6.9	
Staff Initiated:											
Parks Ambassador Program	16.2		9.1		25.3						
Sub-Total Staff Initiated	16.2		9.1		25.3						
Total Enhanced Services	180.0	163.8	17.7	8.6	197.7	172.4	2.0	96.2		6.9	
Total New / Enhanced Services	180.0	163.8	17.7	8.6	197.7	172.4	2.0	96.2		6.9	

Future year incremental costs are primarily attributable to the following:

Known Impacts:

- Elimination of 5 temporary mechanics that will be no longer required in 2019 upon the completion of the Vehicle Information Box Capital Project.
- Additional costs to support the Parks Tree Protection Enforcement which will be fully recovered from Parks, Forestry and Recreation.
- Annualization for positions to support the TransformTO initiative.
- Increases in salary and benefits for cost of living allowance, progression pay and associated benefits.
- Incremental inter-divisional recoveries from client programs and agencies.

Anticipated Impacts:

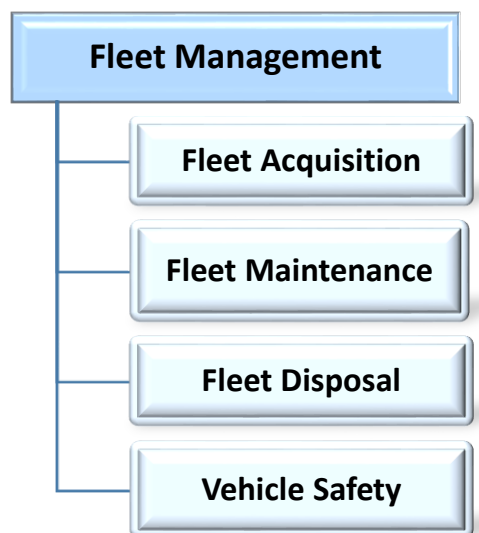
- Inflationary increases in maintenance contracts and fuel prices.



Part 2

2018 Operating Budget by Service

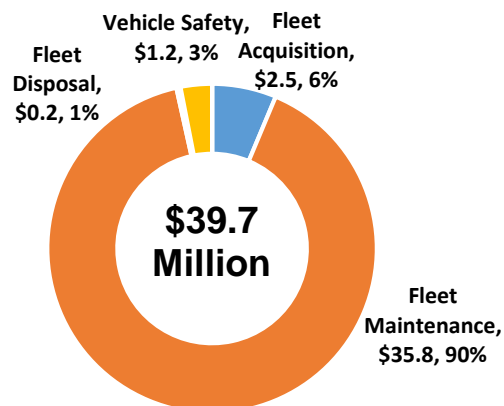
Fleet Management



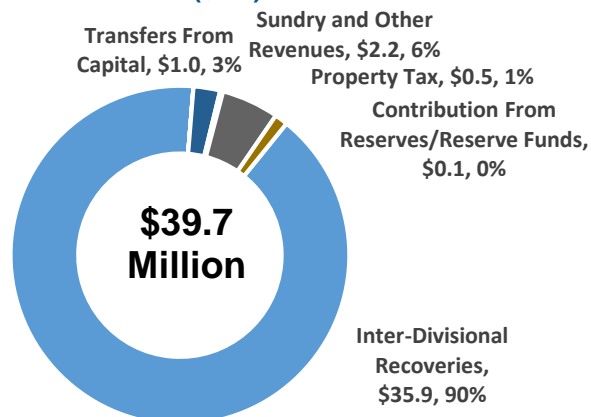
What We Do

- Purchase, manage, maintain and dispose vehicles and equipment, and provide operator training and safety compliance management to support divisional operations and comply with legislative requirements.

2018 Service Budget by Activity (\$Ms)



2018 Service by Funding Source (\$Ms)



2018 Service Levels Fleet Management

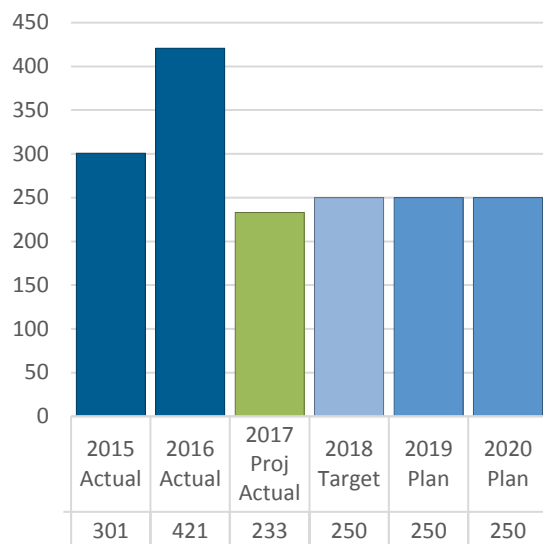
Activity	Type	Service level Description	Status	2015	2016	2017	2018
Fleet Acquisition	Light Duty Vehicle (<4500kg)	Average Age	Approved	4.5	4.5	4.5	4.5
			Actual	6.3	6.4	6.8	
	Medium Duty Vehicles (4500kg - 9000 Kg)	Average Age	Approved	5.7	5.7	5.7	5.7
			Actual	6.9	7.1	7.5	
	Heavy Duty Vehicle (>9000kg)	Average Age	Approved	6.2	6.0	6.0	6.0
			Actual	7.6	7.1	7.3	
	Off-Road (Driven)	Average Age	Approved	7.1	7.0	7.0	7.0
			Actual	10.3	10.2	10.7	
Fleet Maintenance	% scheduled repairs to unscheduled repairs	Percentage Comparison	Approved	60% / 40%	60% / 40%	60% / 40%	60% / 40%
			Actual	27% / 73%	25% / 75%	25% / 75%	
Fleet Disposal	Average days to sale for used assets	# of Days	Approved	42	90	90	100
			Actual	124	204	173	
	Vehicles / equipment disposed	# of Vehicles	Approved	250	250	250	250
			Actual	251	450	262	
Vehicle Safety	MTO CVOR (Commercial Vehicle Operator's Registration) Safety Rating	Rate	Approved	52.0%	42.0%	40.0%	40.0%
			Actual	27.0%	38.0%	35.0%	
	# of course and training attendance	# of People	Approved				8,700
			Actual	6333	9116	8597	

Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Fleet Management:

- The actual Average Age for the various type of vehicles are higher than the Approved Level, this is mainly due to the State of Good Repair backlog. Fleet Services and Financial Planning will continue to work with the key divisions that have the greatest backlogs, including Parks, Forestry and Recreation, Transportation and Toronto Water to reduce their SOGR backlogs.
- The actual % scheduled repairs to unscheduled repairs are lower than the Approved Level due to some vehicle and equipment classes being past optimum life. Older vehicles have a greater frequency of unplanned repairs and also require more repair, which puts added pressure on existing resources to maintain service levels.
- The actual number of "Days to Dispose" for used Assets and Vehicle/Equipment are higher than the Approved Levels. Fleet Services has done an analysis recently and found that the Approved Level did not include the time required for preparation, auction process, delay in auction and final paperwork to close out the sale. Staff have concluded that 100 days for Used Assets and 250 days for Vehicle/Equipment would be more reasonable, realistic and achievable targets.
- A new service level measure has been added for "# of course and training attendance" which provides a measure for the number of staff that attend Vehicle and Equipment Safety training. This training is necessary to ensure fleet operators remain safe and compliant with all legislative and operating practices.

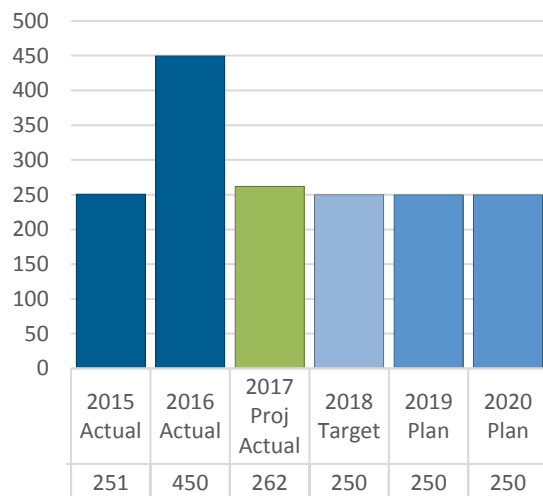
Service Performance Measures

Number of Vehicles & Equipment Acquired



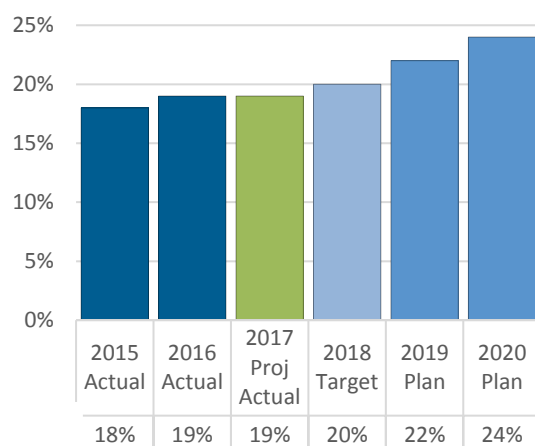
- The number of vehicles and equipment acquired affects the timely replacement of vehicles in order to minimize operating costs.
- The number of vehicles and equipment acquired on an annual basis reflects the new additions to the fleet.
- It is projected that a combined total of 250 vehicles and equipment will be purchased in 2018.

Number of Vehicles & Equipment Disposed



- An equivalent number of vehicles and equipment are projected to be acquired and disposed on an annual basis.
- The timely replacement including the disposal of beyond optimum life units will have an overall positive impact on maintenance costs.

Percentage of Green Vehicles



- The percentage of the vehicle inventory that is Green includes alternative fuel vehicles such as Natural Gas, Gas-Electric Hybrids, and all electric vehicles.
- Fleet Services continues to purchase environmentally sustainable vehicles to reduce fuel use and costs, emissions of greenhouse gases and smog-causing air pollutants, increasing from 18% in 2015 to 20% in 2017.
- The percentage of Green Vehicles in the vehicle inventory is expected to be at 20% in 2018.

Table 6
2018 Service Budget by Activity

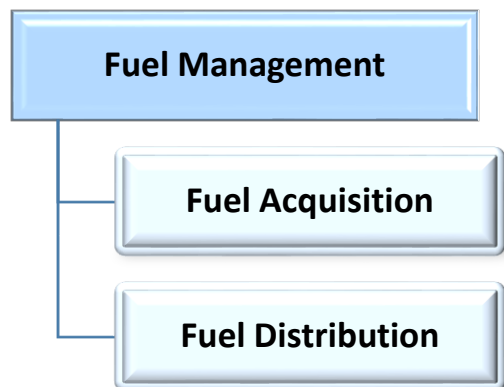
(2017)	2018 Operating Budget								Incremental Change					
	Approved Budget	Base Budget	Service Changes	Base Budget	Base Budget vs. 2017 Budget	% Change	New/Enhanced	Budget	2018 Budget vs. 2017 Budget		2019 Plan		2020 Plan	
(\$000s)	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	%	\$	%
GROSS EXP.														
Fleet Acquisition	2,527.9	2,495.5		2,495.5	(32.4)	(1.3%)	10.4	2,506.0	(22.0)	(0.9%)	28.4	1.1%	22.3	0.9%
Fleet Disposal	164.2	161.0		161.0	(3.3)	(2.0%)		161.0	(3.3)	(2.0%)	2.5	1.6%	0.8	0.5%
Fleet Maintenance	34,031.0	35,811.0	(206.7)	35,604.4	1,573.3	4.6%	169.6	35,773.9	1,742.9	5.1%	272.5	0.8%	547.2	1.5%
Vehicle Safety	1,219.5	1,220.2		1,220.2	0.7	0.1%		1,220.2	0.7	0.1%	30.7	2.5%	33.1	2.6%
Total Gross Exp.	37,942.7	39,687.7	(206.7)	39,481.1	1,538.3	4.1%	180.0	39,661.1	1,718.3	4.5%	334.1	0.8%	603.4	1.5%
REVENUE														
Fleet Acquisition	1,004.7	1,338.4		1,338.4	333.7	33.2%	1.8	1,340.2	335.5	33.4%	1.7	0.1%		
Fleet Disposal	75.0	75.0		75.0				75.0						
Fleet Maintenance	37,052.4	37,746.8	(11.7)	37,735.1	682.7	1.8%	14.4	37,749.5	697.1	1.9%	(499.8)	(1.3%)		
Vehicle Safety														
Total Revenues	38,132.1	39,160.2	(11.7)	39,148.5	1,016.4	2.7%	16.2	39,164.7	1,032.6	2.7%	(498.1)	(1.3%)		
NET EXP.														
Fleet Acquisition	1,523.2	1,157.1		1,157.1	(366.1)	(24.0%)	8.6	1,165.8	(357.5)	(23.5%)	26.7	2.3%	22.3	1.9%
Fleet Disposal	89.2	86.0		86.0	(3.3)	(3.7%)		86.0	(3.3)	(3.7%)	2.5	2.9%	0.8	0.9%
Fleet Maintenance	(3,021.4)	(1,935.7)	(195.0)	(2,130.7)	890.6	(29.5%)	155.2	(1,975.6)	1,045.8	(34.6%)	772.3	(39.1%)	547.2	(45.5%)
Vehicle Safety	1,219.5	1,220.2		1,220.2	0.7	0.1%		1,220.2	0.7	0.1%	30.7	2.5%	33.1	2.6%
Total Net Exp.	(189.4)	527.6	(195.0)	332.6	522.0	(275.6%)	163.8	496.3	685.7	(362.0%)	832.2	167.7%	603.4	31.2%
Approved Positions	181.8	187.8		182.8	1.0	0.6%	1.9	184.7	2.9	1.6%	(5.9)	(3.2%)		

Fleet Management provides services including purchasing, management and maintenance of the vehicles and equipment, and operator training and safety compliance management to support divisional operations and comply with legislative requirements.

Fleet Management's 2018 Operating Budget of \$39.661 million gross and \$0.496 million net is \$0.686 million or 362.0% over the 2017 Approved Net Budget.

- Base budget pressures in Fleet Management are primarily attributable to higher maintenance costs for vehicles in SOGR.
- These pressures are partially offset by increased recoveries from various City Programs and Agencies, as well as savings from the implementation of the Alternate Service Delivery Model.

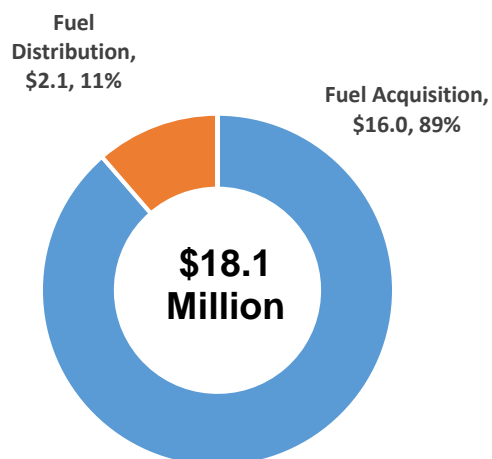
Fuel Management



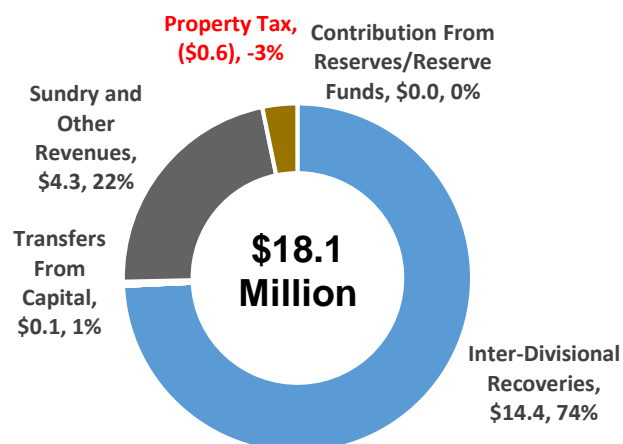
What We Do

- Provide fuel to support divisional operations and oversight at all City-owned fuel sites.

2018 Service Budget by Activity
(\$Ms)



2018 Service by Funding Source
(\$Ms)



2018 Service Levels Fuel Management

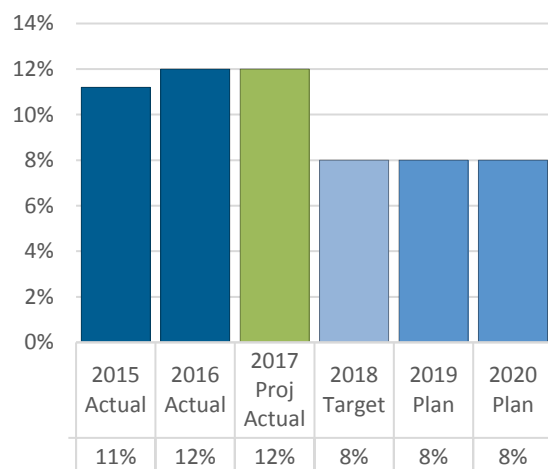
Activity	Type	Service Level Description	Status	2015	2016	2017	2018
Fuel Acquisition	Gasoline Contract below market price	% below market price	Approved	5%	5%	7%	8%
			Actual	10%	10%	11%	
	Diesel Contract below market price	% below market price	Approved	8%	8%	8%	8%
			Actual	11%	12%	12%	
Fuel Distribution	Gasoline Dispensed	litres (millions)	Approved	3.8	3.9	5.4	6.4
			Actual	4.0	4.6	5.7	
	Diesel Dispensed	litres (millions)	Approved	10.6	11.4	10.1	10.8
			Actual	11.4	11.3	11.2	

Overall, the 2018 Service Levels are consistent with the approved 2017 Service Levels for Fuel Services.

- The gasoline contract below market price is increasing due to effective hedging, combined with better pricing received for the City's fuel contract in comparison to the pricing at commercial fuel sites.
- The target volume of gasoline dispensed reflects increased demand from City Programs.

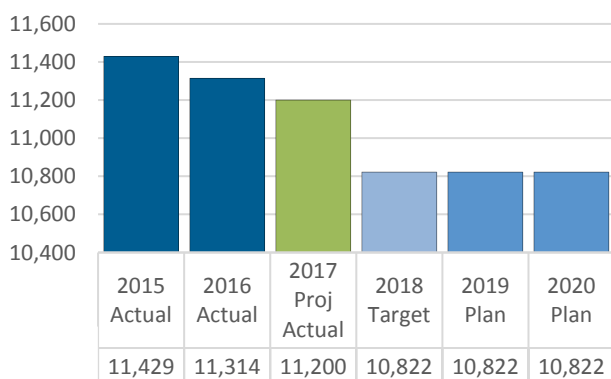
Service Performance Measures

Diesel Contract below Market Price



- The Diesel Contract below Market price has been stable over the past few years due to better pricing received on the fuel contract compare to the pricing at commercial fuel sites.

Amount of Diesel Fuel Distributed (in 000s)



- The amount of diesel fuel distributed is projected to be higher in 2018 due to increased demand from client programs.
- Fuel Services continues the Fuel Hedging program to minimize the impacts of fluctuating fuel market prices.

Table 6
2018 Service Budget by Activity

(\$000s)	2017	2018 Operating Budget							2018 Budget vs. 2017 Budget		Incremental Change			
	Approved Budget	Base Budget	Service Changes	Base	Base Budget vs. 2017 Budget		New/Enhanced	Budget			2019 Plan		2020 Plan	
	\$				\$	\$			\$	%	\$	%	\$	%
GROSS EXP.														
Fuel Acquisition	13,998.0	16,362.9	(353.5)	16,009.4	2,011.4	14.4%	7.3	16,016.7	2,018.7	14.4%	421.9	2.6%	409.9	2.5%
Fuel Distribution	2,266.4	2,050.7		2,050.7	(215.7)	(9.5%)	10.4	2,061.1	(205.3)	(9.1%)	8.1	0.4%	6.9	0.3%
Total Gross Exp.	16,264.5	18,413.6	(353.5)	18,060.1	1,795.6	11.0%	17.7	18,077.8	1,813.3	11.1%	430.0	2.4%	416.8	2.2%
REVENUE														
Fuel Acquisition						-				-		-		-
Fuel Distribution	16,084.6	18,695.4	(0.7)	18,694.7	2,610.2	16.2%	9.1	18,703.8	2,619.3	16.3%	268.7	1.4%	264.8	1.4%
Total Revenues	16,084.6	18,695.4	(0.7)	18,694.7	2,610.2	16.2%	9.1	18,703.8	2,619.3	16.3%	268.7	1.4%	264.8	1.4%
NET EXP.														
Fuel Acquisition	13,998.0	16,362.9	(353.5)	16,009.4	2,011.4	14.4%	7.3	16,016.7	2,018.7	14.4%	421.9	2.6%	409.9	2.5%
Fuel Distribution	(13,818.1)	(16,644.7)	0.7	(16,644.1)	(2,825.9)	20.5%	1.3	(16,642.7)	(2,824.6)	20.4%	(260.6)	1.6%	(257.9)	1.5%
Total Net Exp.	179.9	(281.8)	(352.8)	(634.6)	(814.5)	(452.8%)	8.6	(626.0)	(805.9)	(448.0%)	161.3	(25.8%)	152.0	(48.6%)
Approved Positions	4.2	2.2		2.2	(2.0)	(47.6%)	0.1	2.3	(1.9)	(45.2%)	(0.1)	(4.3%)		

The **Fuel Management** Service provides fuel to support divisional operations and oversight for all City-owned fuel sites.

Fuel Management's 2018 Operating Budget of \$18.078 million gross and (\$0.626) million net is \$0.806 million or 448.0% under the 2017 Approved Net Budget.

- In addition to the base budget pressures common to all services, this service is experiencing higher fuel consumption mainly from the Toronto Transit Commission and Toronto District School Board.
- In order to offset these pressures, the 2018 Operating Budget includes higher recoveries from City Programs and Agencies, savings from implementation of the Alternate Service Delivery and effective fuel hedging.
- The higher savings that have been included in this service will offset the increased net pressure of \$0.496 million in the Fleet Management Service.



Part 3

Issues for Discussion

Issues Impacting the 2018 Budget

Budget Target

- At its meeting on May 24, 2017, the "2018 Budget Process - Budget Directions and Schedule" staff report (EX25.18) was submitted for consideration and adopted by City Council regarding the establishment of the 2018 Budget Process and the scheduling of the review and approval of the Tax and Rate Supported 2018 Operating Budget and 2018-2027 Capital Budget and Plan for the City of Toronto.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.18>
- City Council directed all City Programs and Agencies to provide their 2018 Net Operating Budget equal to the 2017 Approved Net Operating Budget through cost containment, service efficiency, modernization, service level and revenue strategies.
- Fleet Services' 2018 Operating Budget is \$57.739 million gross and (\$0.130) million net, representing \$0.120 million decrease from the 2017 Approved Net Operating Budget. The Program over-achieved the Council directed budget target by applying the following reduction strategies:
 - Service efficiency savings from fuel hedging, Tire Management, Parts Warranty Management and Contract Management resulting in a reduction of \$0.560 million gross with no impact on service levels.
 - Additional savings of \$0.469 million from implementation of the Alternate Service Delivery model.

Additional Savings from Implementation of Alternate Service Delivery (ASD) model

- City Council adopted the report "Fleet Services Review - Detailed Implementation Plan for the Fleet Services Strategy (GM 14.1)" in October 2016 and approved the detailed implementation plan for the Alternate Service Delivery model. <http://www.toronto.ca/legdocs/mmis/2016/gm/bgrd/backgroundfile-94260.pdf>.
- The Alternative Service Delivery model will improve maintenance practices, client service delivery and availability. Over the medium term, this model is expected to facilitate fleet optimization improvements, enhance vehicle condition and resale values, and reduce vehicle downtime.
- This model includes contracting out all preventative maintenance and repairs of Non-Specialized Class 1-2 vehicles managed in-house utilizing City contracts, which results in reduction of vehicle downtime, maintenance and repair costs.
- This model was initially implemented in October 2017, and the City-wide savings realized in 2017 totaled \$0.397 million, of which \$0.172 million in savings for Tax-Supported Programs and \$0.225 million for Rate-Supported Programs.
- Additional savings of \$0.244 million to be realized for 2018 has been included in the Fleet Services' 2018 Operating Budget for Tax-Supported Programs. Savings of \$0.132 million is included in the 2018 Operating Budget for Solid Waste and \$0.087 million in the 2018 Operating Budget for Toronto Water as noted in the table below.
- These savings are expected to be achieved through a reduction in downtime and improvements in preventative maintenance and repair, and will need to be reflected in the respective Tax-Supported Programs and Agencies 2018 Operating Budgets, with adjustments to be made after the approval of the 2018 Operating Budget.

Savings by Programs/Agencies	2018 Savings
Parks, Forestry & Recreation	116,680
Transportation Services	91,789
Facilities Mgmt & Real Estate	13,701
Fleet Services	7,034
Municipal licensing & stds	5,884
Engineering & Constr. Services	2,441
Toronto Public Library	2,150
Public Health	1,509
Office of Emergency Management	750
Purchasing and Materials Mgmt	702
Toronto Building	498
City Clerks Office	478
Eco. Devt. & Culture	467
Sub-total Tax-Supported Programs/Agencies	244,083
Solid Waste Management	132,402
Toronto Water	86,515
Sub-Total Rate-supported Programs	218,917
Total Savings	463,000

- It is recommended that City Council approve the budget transfer of \$0.244 million gross and net, reflecting the savings resulting from the implementation of the Alternate Service Delivery Model as noted in table above, to the respective Tax-supported client Programs from Fleet Services' 2018 Operating Budget.
- The future savings for 2019 and 2020 are expected to be the same as 2018 at \$0.463 million. The total savings realized by this initiative is expected to be \$3.726 million for City-wide programs by 2024, and they will be reviewed and reflected in future year budget processes.

Issues Referred to the 2018 Operating Budget Process

New & Enhanced Not Included in the 2018 Operating Budget

- Fleet Services submitted 2 New and Enhanced requests as noted in the table below, which will require additional funding of \$0.051 million gross and \$0 net:

New / Enhanced Service Description (\$000s)	2018 Impact				Incremental Change			
					2019 Plan		2020 Plan	
	Gross	Revenue	Net	Positions	Net	Positions	Net	Positions
Not Included								
Staff Initiated:								
Equipment to Support Horticulture and Urban Agriculture	36.2	36.2						
Equipment to Support Enhanced Maintenance and Quality Management	15.0	15.0						
Sub-Total Staff Initiated	51.2	51.2					0.0	0.0
Total New / Enhanced Services (Not Included)	51.2	51.2	-	-	-	-	0.0	0.0

- These 2 Business Cases are to provide vehicle/equipment support for the new/enhanced initiatives for Parks, Forestry and Recreation. All of these initiatives are part of the Council approved Parks Plan 2013 - 2017 that guides delivery of service. The costs for vehicles & equipment rental and fuel are expected to increase upon implementation of these initiatives. The impact for the Horticulture Bed Rejuvenation initiative and the Parks Ranger Program initiative will be in 2019. The higher costs will be fully recovered from Parks, Forestry and Recreation, and there will be no net impact to Fleet Services.



Appendices

Appendix 1

2017 Service Performance

Key Service Accomplishments

In 2017, Fleet Services made significant progress and/or accomplished the following:

- ✓ Commenced implementation of the Council approved alternate service delivery model for all preventative maintenance and repairs for non-specialized class 1-2 vehicles.
- ✓ Completed the centralization and oversight of 23 City Wide fuel sites that fuel over 7100 assets. The 23 City fuel sites now utilize 1 common software and hardware program.
- ✓ Continued to partner with Solid Waste Management to implement CNG technology on curbside residential collections vehicles. To date, approximately 40% of the collections units have been replaced by CNG vehicles.
- ✓ Continued to maintain the City of Toronto's Commercial Vehicle Operator's Registration (CVOR) rating at a satisfactory level with the Ministry of Transportation.
- ✓ Completed the installation of one DC Fast charging station which will substantially reduce electric vehicle charging time. Two new electric vehicles added to the City's fleet.
- ✓ Leveraged procurement leadership to provide Toronto Transit Commission, Toronto Parking Authority, Toronto Fire Services, Toronto Paramedic Services, Exhibition Place and the Toronto Zoo with the ability to procure vehicles or equipment based on existing Fleet Services specifications.

Appendix 2

2018 Operating Budget by Expenditure Category Program Summary by Expenditure Category

Category of Expense (\$000's)	2015	2016	2017	2017	2018	2018 Change from		Plan	
	Actual	Actual	Budget	Projected	Budget	2017 Approved		2019	2020
	\$	\$	\$	Actual *	\$	Budget	%		
Salaries And Benefits	16,642.1	17,228.6	19,357.5	17,525.7	19,599.2	241.7	1.2%	19,506.3	19,762.5
Materials & Supplies	26,102.1	24,676.4	25,164.2	27,276.2	26,644.0	1,479.8	5.9%	27,328.0	27,328.0
Equipment	99.4	120.9	91.7	175.6	187.3	95.6	104.2%	189.4	189.4
Service And Rent	8,831.4	9,100.4	6,647.1	11,348.9	8,162.7	1,515.6	22.8%	8,330.5	8,330.5
Contribution To Reserves/Reserve Funds	938.2	2,476.3	2,304.1	2,304.1	2,558.1	254.0	11.0%	2,558.1	2,558.1
Inter-Divisional Charges	502.6	513.0	642.6	612.5	587.5	(55.1)	(8.6%)	590.7	590.7
Total Gross Expenditures	53,115.9	54,115.5	54,207.2	59,242.9	57,738.9	3,531.7	6.5%	58,502.9	58,759.2
Inter-Divisional Recoveries	50,869.2	50,375.1	48,371.5	52,759.7	50,233.4	1,861.9	3.8%	50,517.2	51,011.4
Transfers From Capital	183.9	278.7	1,213.7	1,213.7	1,067.0	(146.7)	(12.1%)	553.8	553.8
Contribution From Reserves/Reserve Funds	33.7	104.6	120.8	120.8	126.3	5.5	4.5%	126.3	126.3
Sundry and Other Revenues	2,430.4	3,411.1	4,510.7	5,218.7	6,441.9	1,931.2	42.8%	6,441.9	6,441.9
Total Revenues	53,517.1	54,169.5	54,216.7	59,313.0	57,868.6	3,651.9	6.7%	57,639.1	58,133.4
Total Net Expenditures	(401.3)	(53.9)	(9.5)	(70.1)	(129.7)	(120.2)	1264.4%	863.8	625.8
Approved Positions	165.0	164.0	186.0	167.0	187.0	1.0	0.5%	181.0	181.0

For additional information regarding the 2017 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2017" considered by City Council at its meeting on November 27, 2017:

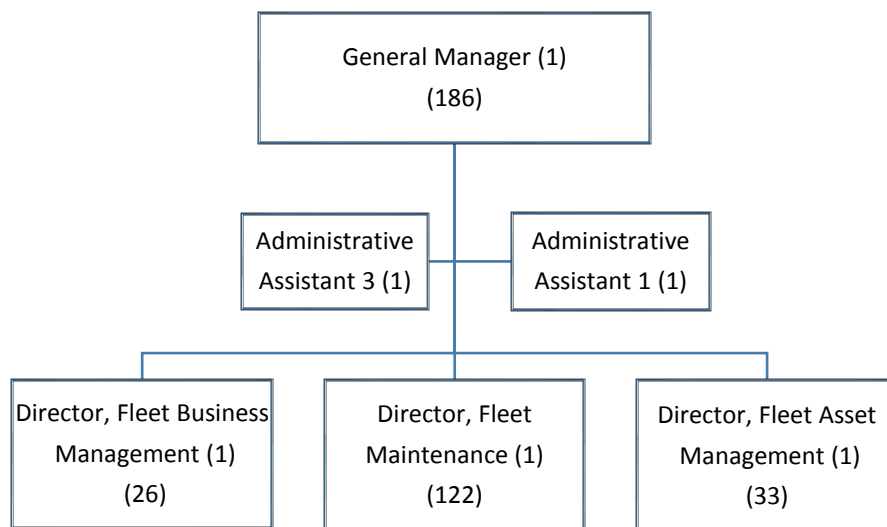
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BU37.2>

Impact of 2017 Operating Variance on the 2018 Operating Budget

- The 2017 Year-End projects a slightly higher recovery from City Programs and Agencies than plan driven by increased maintenance costs for vehicles that have passed their optimum life and higher fuel consumption by Toronto Transit Commission and Toronto District School Board. There is no impact to the 2018 Operating Budget.

Appendix 3

2018 Organization Chart



2018 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	4.0	17.0	19.0	138.0	178.0
	Temporary					
	Total Operating	4.0	17.0	19.0	138.0	178.0
Capital	Permanent					
	Temporary		1.0	3.0	5.0	9.0
	Total Capital	-	1.0	3.0	5.0	9.0
Grand Total		4.0	18.0	22.0	143.0	187.0

Appendix 4

Summary of 2018 Service Changes

2018 Operating Budget - Council Approved Service Changes

Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Fleet Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
2018 Council Approved Base Budget Before Service Change:			58,101.3	57,855.6	245.7	185.00	897.3	748.6

14545 Fleet Rationalization for Facilities

51 No Impact

Description:

Through fleet rationalization, Facilities is reducing its fleet size by 2 Class 2 vehicles, which will result in maintenance cost and fuel savings for these vehicles.

Service Level Impact:

Equity Statement:

There are no equity impacts.

Service: FL-Fleet Management

Preliminary Service Changes:	(11.7)	(11.7)	0.0	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(11.7)	(11.7)	0.0	0.00	0.0	0.0

Service: FL-Fuel Management

Preliminary Service Changes:	(0.7)	(0.7)	0.0	0.00	(0.0)	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(0.7)	(0.7)	0.0	0.00	(0.0)	0.0

Total Preliminary Service Changes:	(12.4)	(12.4)	0.0	0.00	(0.0)	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Fleet Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(12.4)	(12.4)	0.0	0.00	(0.0)	0.0

14632	Absorb Partial Cap & Trade Impact through Effective Hedging
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51	No Impact	Description:
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There will be a budget pressure resulting from the provincially mandated Cap & Trade program in 2018, with the impact estimated to be \$0.054/L for diesel and \$0.04/L for gasoline. Fleet Services will mitigate the impact by \$0.02/L through effective fuel hedging.

Service Level Impact:

Equity Statement:

There are no equity impacts.

Service: FL-Fuel Management

Preliminary Service Changes:	(352.8)	0.0	(352.8)	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(352.8)	0.0	(352.8)	0.00	0.0	0.0
Total Preliminary Service Changes:	(352.8)	0.0	(352.8)	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(352.8)	0.0	(352.8)	0.00	0.0	0.0

14634	Tire Management
-------	-----------------

51	No Impact	Description:
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Category:

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

2018 Operating Budget - Council Approved Service Changes

Summary by Service (\$000's)

Form ID		Internal Corporate Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Program - Fleet Services						

Fleet Services is adopting a new tire management strategy by implementing of a tire retreading process for heavy vehicles/equipment, which will reduce costs for maintenance and purchase of new tires. There is no impact to service levels.

Service Level Impact:

Equity Statement:

There are no equity impacts.

Service: FL-Fleet Management

Preliminary Service Changes:	(60.0)	0.0	(60.0)	0.00	0.0	(0.0)
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:	(60.0)	0.0	(60.0)	0.00	0.0	(0.0)
Total Preliminary Service Changes:	(60.0)	0.0	(60.0)	0.00	0.0	(0.0)
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:	(60.0)	0.0	(60.0)	0.00	0.0	(0.0)

14635	Parts Warranty Management
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51	No Impact
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Description:

Improve the parts warranty management and core returns process to ensure warranties are maximized, by utilizing new systems such as a parts ordering system to track parts warranty earlier and to increase data capture, invoicing and parts turnaround. Therefore, expenditures for vehicle parts will be reduced. There is no impact to service levels.

Service Level Impact:

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Fleet Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
Equity Statement:								
There are no equity impacts.								
Service: FL-Fleet Management								
Preliminary Service Changes:			(100.0)	0.0	(100.0)	0.00	0.0	(0.0)
BC Recommended Changes:			0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:			0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:			0.0	0.0	0.0	0.00	0.0	0.0
Total Council Recommended:			(100.0)	0.0	(100.0)	0.00	0.0	(0.0)
Total Preliminary Service Changes:			(100.0)	0.0	(100.0)	0.00	0.0	(0.0)
Budget Committee Recommended:			0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:			0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:			0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved Service Changes:			(100.0)	0.0	(100.0)	0.00	0.0	(0.0)

14636	Contract Management
51	No Impact

Description:

Fleet Services has hired 4 new contract coordinators. These positions are dedicated in developing and implementing new processes to effectively manage fleet maintenance contracts to meet client division needs, while mitigating risk and ensuring that value for money is obtained by the City.

Service Level Impact:
Equity Statement:

There are no equity impacts.

Service: FL-Fleet Management

2018 Operating Budget - Council Approved Service Changes Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Fleet Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Preliminary Service Changes:	(35.0)	0.0	(35.0)	0.00	0.0	0.0
		BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Recommended:	(35.0)	0.0	(35.0)	0.00	0.0	0.0
		Total Preliminary Service Changes:	(35.0)	0.0	(35.0)	0.00	0.0	0.0
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved Service Changes:	(35.0)	0.0	(35.0)	0.00	0.0	0.0
Summary:								
		Preliminary Service Changes:	(560.2)	(12.4)	(547.8)	0.00	(0.0)	(0.0)
		Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Council Approved Service Changes:	(560.2)	(12.4)	(547.8)	0.00	(0.0)	(0.0)
		Total Council Approved Base Budget:	57,541.2	57,843.3	(302.1)	185.00	897.3	748.6

Appendix 5

Summary of 2018 New / Enhanced Service Priorities

2018 Operating Budget - Council Approved New and Enhanced Services

Summary by Service (\$000's)

Form ID		Internal Corporate Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
15485		Parks Ambassador Program - Fleet Services						
72	No Impact	Description:						

Parks, Forestry and Recreation is proposing to improve the Parks Ambassador program to from one crew to three crews in the summer months, and to extend the length of the seasonal staff's contract from 6 months to 9 that will lead to more interactions with the Parks' users and more referrals for streets to homes. This will result in higher vehicle rental costs and fuel consumption for Fleet Services. The additional costs will be fully recovered from Parks, Forestry and Recreation with no net impact to Fleet Services.

Service Level Impact:

Equity Statement:

Not applicable

Service: FL-Fleet Management

Preliminary:	0.0	0.0	0.0	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	16.2	16.2	0.0	0.00	0.0	0.0
Total Council Approved:	16.2	16.2	0.0	0.00	0.0	0.0

Service: FL-Fuel Management

Preliminary:	0.0	0.0	0.0	0.00	0.0	0.0
BC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	9.1	9.1	0.0	0.00	0.0	0.0
Total Council Approved:	9.1	9.1	0.0	0.00	0.0	0.0

Total Preliminary New / Enhanced Services:	0.0	0.0	0.0	0.00	0.0	0.0
Budget Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0

Category:

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

2018 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Fleet Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
City Council Approved:			25.3	25.3	0.0	0.00	0.0	0.0
Total Council Approved New / Enhanced Services:			25.3	25.3	0.0	0.00	0.0	0.0

14333	TransformTO - Improve Fleet Fuel Efficiency
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74	No Impact
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Description:

City Council approved the TransformTO Short-term Strategies and Fleet Services is identified as the lead on Strategy 4.4 Improve Fleet Fuel Efficiency. Additional staff resources will be required for the implementation and support of the TransformTO initiatives. These resources will enable and ensure effective and efficient utilization of available green technologies and management practices in achieving the City's environmental goals and the anticipated savings and other benefits. Two permanent positions have been requested for 2018.

Service Level Impact:

Equity Statement:

There are no equity impacts.

Service: FL-Fleet Management

Preliminary:	0.0	0.0	0.0	0.00	0.0	(0.0)
BC Recommended Changes:	163.8	0.0	163.8	1.90	91.4	6.5
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved:	163.8	0.0	163.8	1.90	91.4	6.5

Service: FL-Fuel Management

Preliminary:	(0.0)	0.0	(0.0)	0.00	0.0	(0.0)
BC Recommended Changes:	8.6	0.0	8.6	0.10	4.8	0.3
EC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
CC Recommended Changes:	0.0	0.0	0.0	0.00	0.0	0.0
Total Council Approved:	8.6	0.0	8.6	0.10	4.8	0.3

Category:

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

2018 Operating Budget - Council Approved New and Enhanced Services Summary by Service (\$000's)

Form ID		Internal Corporate Services Program - Fleet Services	Adjustments				2019 Plan Net Change	2020 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		Total Preliminary New / Enhanced Services:	(0.0)	0.0	(0.0)	0.00	0.0	(0.0)
		Budget Committee Recommended:	172.4	0.0	172.4	2.00	96.2	6.9
		Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
		City Council Approved:	0.0	0.0	0.0	0.00	0.0	0.0
		Total Council Approved New / Enhanced Services:	172.4	0.0	172.4	2.00	96.2	6.9

Summary:

Preliminary New / Enhanced Services:	(0.0)	0.0	(0.0)	0.00	0.0	(0.0)
Budget Committee Recommended:	172.4	0.0	172.4	2.00	96.2	6.9
Executive Committee Recommended:	0.0	0.0	0.0	0.00	0.0	0.0
City Council Approved:	25.3	25.3	0.0	0.00	0.0	0.0
Council Approved New/Enhanced Services:	197.7	25.3	172.4	2.00	96.2	6.9

Category:

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

74 - New Services
75 - New Revenues

Appendix 6

Inflows/Outflows to/from Reserves & Reserve Funds

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		30,005.2	25,971.0	26,095.0	26,219.0
Insurance Reserve Fund	XR1010				
<i>Proposed Withdrawals (-)</i>		(4,158.1)			
<i>Contributions (+)</i>		124.0	124.0	124.0	124.0
Total Reserve / Reserve Fund Draws / Contributions		25,971.0	26,095.0	26,219.0	26,343.0
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		25,971.0	26,095.0	26,219.0	26,343.0

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		6,813.4	4,124.2	5,346.0	6,567.8
Vehicle and Equipment Replacement	XQ0003				
<i>Proposed Withdrawals (-)</i>		(3,948.4)	(126.3)	(126.3)	(126.3)
<i>Contributions (+)</i>		1,259.3	1,348.1	1,348.1	1,348.1
Total Reserve / Reserve Fund Draws / Contributions		4,124.2	5,346.0	6,567.8	7,789.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		4,124.2	5,346.0	6,567.8	7,789.6

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		813.0	573.5	573.5	573.5
Fleet Services - Fleet Replacement	XQ1503				
<i>Proposed Withdrawals (-)</i>		(239.5)	-	-	-
<i>Contributions (+)</i>			-	-	-
Total Reserve / Reserve Fund Draws / Contributions		573.5	573.5	573.5	573.5
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		573.5	573.5	573.5	573.5

* Based on 9-month 2017 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2017 *	Withdrawals (-) / Contributions (+)		
			2018	2019	2020
		\$	\$	\$	\$
Projected Beginning Balance		704.9	1,432.6	1,130.6	1,890.6
Toronto Community Housing Corp.-Fleet Replacement	XQ1707				
<i>Proposed Withdrawals (-)</i>		(72.4)	(1,402.0)	(340.0)	(1,452.0)
<i>Contributions (+)</i>		800.0	1,100.0	1,100.0	1,100.0
Total Reserve / Reserve Fund Draws / Contributions		1,432.6	1,130.6	1,890.6	1,538.6
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		1,432.6	1,130.6	1,890.6	1,538.6

* Based on 9-month 2017 Reserve Fund Variance Report