

CONTEXT
BUDGET RECOMMENDATIONS
1999 PRESSURES
AMALGAMATION SAVINGS
HARMONIZATION
GOING FORWARD



Provincial Downloading

Service transfers	(\$ Millions)
– 1998 shortfall	\$121.0
– New pressures	
• Children's services	3.6
• Public health	?
• Social services	19.4
• Social housing	-5.6
• Prov. Offences Act	-8.0
• Ambulance	0.4
1999 TTC subsidy loss	31.0
Total	\$161.8?

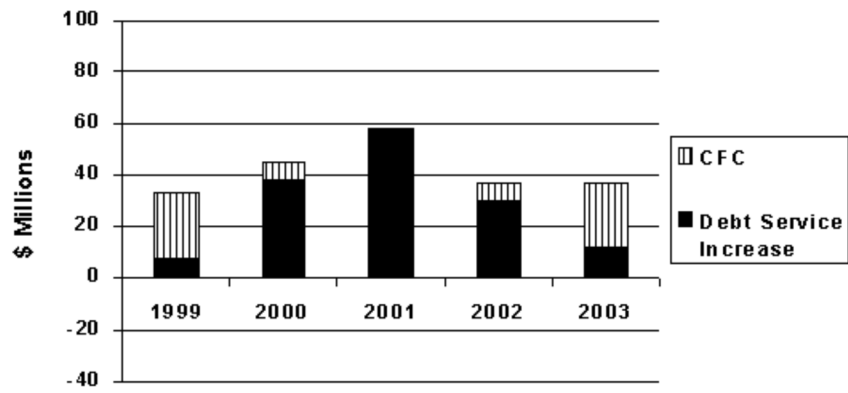


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Impact of Capital Program

Annual Operating Impact



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Other Critical Pressures

- Homelessness \$5M
- Loss of recycling revenue \$3M
- Keele Valley slow fill \$3M
- Daycare charges \$3M



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High Demand on Corp. Services

- Finance
- Human resources
- Facilities and real estate
- Information technology



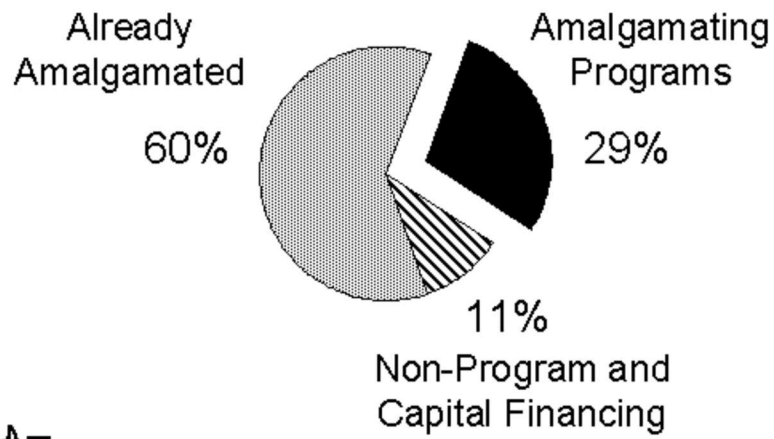
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Amalgamating Functions Only 29% of 5.5B Gross Expenditures



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Amalgamation is Working

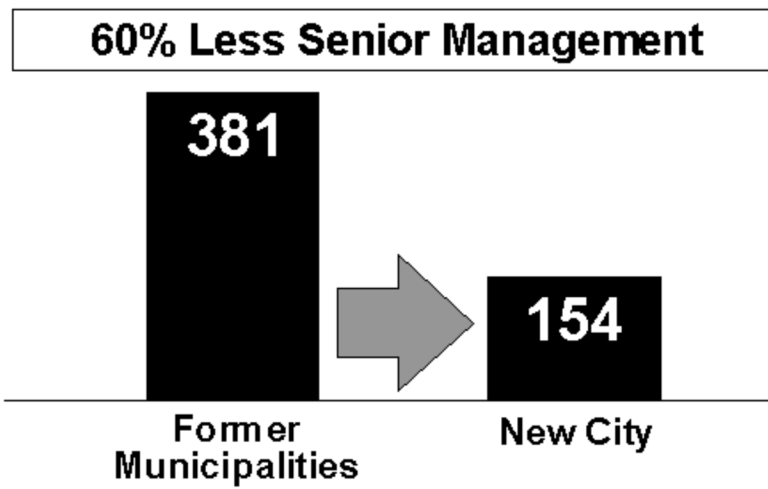
- Reduced Senior Management by 60%
- Reduced staffing by 1,277 in 1998
- \$12M annual savings in banking, insurance, etc.
- \$30M in property sales and collapsed leases
- Streamlined development process
- 25% more investment inquiries
- Smaller works yards closing



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Senior Management Reductions



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Key Harmonization Areas

	<u>Annual</u> <u>1999</u>	<u>Cumulative</u> <u>2001</u>
Solid waste collection	\$ 2.9M	\$ 9.4M
Winter maintenance	\$-0.1M	\$2.7M
Recreational fees	\$ 2.0M	\$ 6.0M
Total Estimated Savings	\$4.8M	\$18.1M



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Harmonization -- Solid Waste

	<u>Annual</u>	<u>Cumulative</u>
<u>Solid waste</u>	<u>1999</u>	<u>2001</u>
• Garbage and recycling	\$800K	\$1,600K
• Yard waste collection	200K	200K
• Rear/side yard collection	-25K	-50K
• Curbside recycling boxes	60K	120K
• Collect. for small commercial prop.	1,900K	7,500K



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Harmonization -- Winter Maintenance

<u>Winter Maintenance</u>	<u>Annual</u> <u>1999</u>	<u>Cumulative</u> <u>2001</u>
• Clearing windrows	\$-1,100K	\$-1,100K
• Sidewalk clear	1,000K	3,800K
• Seniors and disabled sidewalk and windrow clearing	0	0



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Harmonization -- Recreation Fees

- Fees currently recover between **0-80%** of direct program costs (excluding facilities)
- No charge:
 - In high need areas
 - For basic level services (Leisure swim/skate, youth drop-in, after school, etc.)
- Harmonized fees target = **50%** direct cost recovery

Annual 1999 = \$2M

Cumulative 2001 = \$6M



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2000 Preliminary Pressures

Loss of provincial loan	\$63M
Additional capital costs	\$43M
Wage settlements	\$? M
Other service pressures	\$? M



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Amalgamation: Years 1➡3

- Management integration
- Systems integration
- Policy integration
- Wage integration
- Service delivery integration



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Organizational Transformation

Years 2→5

- Review core services/programs
- Set service levels
- Establish performance measures
- Modify work practices
- Track competitiveness



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Future Opportunities

- Administrative consolidation
- Flexible labour contracts
- Public/private partnerships
- Sponsorships
- Increased role for province



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